The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

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64th Year, No. 38

Details Given For Progam Of Atlantic City Convention Of NAIA Sept. 26-28

The program for the annual convention of National Assn. of Insurance Agents in Atlantic City Sept. 26-28 has been completed. Preceding the convention, the executive committee under Chairman Porter Ellis of Dallas, vice-president, will Thursday, Friday, Saturday, and possibly Sunday in the Solarium at Haddon Hall. Registration will open Sunafternoon, and one of the outstanding features of the convention will start at 3 p.m. in the Viking Theatre at Haddon Hall—the property and casualty problems clinic. Howard N. Fullington of Wichita, member of the executive committee, will moderate the panel, which will have as participants the chairmen of NAIA technical committees and several bureau and rating organization executives

Details of the general sessions are: Monday, Sept. 26

a.m.—Opening general session, with Paul H. Jones of Tucson, president, presiding. Welcome by John S. Sheiry, Bridgeton, New Jersey's state national director. Recognition of past presidents. Debate by Robert S. Allen and Kenneth Crawford, Washington news correspondents, on the Presidential election. Report of the administration by Mr. Jones. Awards: High-

way safety, sponsored by NAIA; and fire safety presented by National Board. The president's citations for achievement.

10:45 a.m.—Territorial conferences: Eastern, Casino Hall, Steel Pier; Far West, Pavilion Room, Haddon Hall; Midwest, Navajo Room, Haddon Hall; Rocky Mountain, Bakewell Room, Haddon Hall; and Southern, Rutland Room, Haddon Hall.

12-Local board and membership luncheon, Peacock Inn, Haddon Hall, K. H. Bair Jr., Albuquerque, chairman

1:45 p.m.-National Board of State Directors, Vernon Room, Haddon Hall, Mr. Jones presiding.

2:15 p.m.—Agency management and production clinic, Casino Hall, Steel Pier, Mr. Jones presiding. Walter Sleight, vice-president of Recording & Statistical Corp.; Arthur F. Blum, agent of Rockaway Park, N. Y.; Claude H. Mahan, fire and casualty manager of IBM; and Allen V. Livingston, agent of Englewood, N. J., discussing modern methods in agency accounting. Panel on today's problems in agency management: M. J. Mittenthal, Dallas, moderator; with six state association presidents as participants-Milton R. Cheverton, California; Aaron S. Fein-(CONTINUED ON PAGE 37)

Ready For Joint Union Sues RRs Over Casualty Meeting Strike Insurance

Plans have been completed for the annual joint convention of National Assn. of Casualty & Surety Executives and National Assn. of Casualty & Surety Agents at the Greenbrier Hotel, White Sulphur Springs, W. Va., Oct. 2-5. Nathan Mobley of Federal is president of the company group and Walter M. Sheldon of Alexander & Co., Chicago, of the agency organiza-

More than 500 members of the two organizations are expected to attend plus commissioners from six states. Messrs. Mobley and Sheldon will give presidential addresses, and Roland H. Lange, vice-president of Hartford Fire and president of Insurance Informa-Institute, will discuss the aims and activities of that facility. Included in the entertainment will be an appearance of Virginia Military Insti-

Hulbert Of Utah to Resign Jan. 1

Commissioner Carl A. Hulbert of Utah submitted his resignation effective Jan. 1, 1961. He has been in office since June 1958 and his term would expire April 1, 1963.

Mr. Hulbert told Gov. Clyde that the committee work he is engaged in for National Assn. of Insurance Commissioners will be completed by Jan. 1. He has been primarily active in the investigation of merit rated automobile insurance.

The Brotherhood of Railroad Trainmen has filed suit for \$10 million damages against Assn. of American Railroads, charging that the Long Island and other railroads are violating the interstate commerce act by way of the strike insurance they have purchased in Imperial Ins. Co. of Nassau. This, the union contends, is an agreement to pool reserves without approval of Interstate Commerce Commission.

The union asks triple damages for lost wages and other costs and charges. Specifically, the union is suing the Long Island, which was shut down earlier this summer for 26 days by a strike of the brotherhood. The insurance paid the Long Island \$50,-000 a day and currently is reported to paying the Pennsylvania, now on strike, \$600,000 a day.

365 Day Maximum

The payments are for expenses that continue during a strike such as supervisory salaries, charges on debt, taxes, and the like. There is a 365 day maximum, and the insurance is not effective if all the railroads are struck. The coverage became effective a little more than a year ago.

A railroad may be assessed up to 20 times its original premium in case of need. The original premium is equal to one day's fixed costs. At the time the coverage was first announced by the railroad association, inquiry failed to disclose the existence of any reinsurance of the line in London.

The union charges that the coverage "lockout" and not "strike" insur- of London."

Temple, Two Others Indicted For Mail Fraud In Georgia C&S Case

A federal indictment has been returned at Atlanta against three Chicagoans who allegedly seized control Georgia Casualty & Surety and mulcted the company of \$1 million.
Accused on 14 counts of mail fraud are Paul L. Temple, Roy E. Bishop and Eva Woodall. They were arrested and arraigned at Atlanta last January.

The Post Office Department charged that they got control of the company in January by representing to its major stockholders that they would effect a merger with Eagle Fire of New Jersey. Temple claimed that he had an agreement with the latter company by which \$1 million in capital would added to the capital of Georgia C.&S. At the time, Eagle Fire officials disclaimed knowledge of a merger or of any plans in that regard.

Letters were mailed to Georgia C.&S. stockholders soliciting proxies in favor of the merger. Temple was elected chairman of the Georgia C.&S. with Bishop as president and Woodall as secretary

The indictment alleges that the accused took over the company and purchased the majority stock for \$532,539, using the company's own money by maneuvers involving a bank loan and manipulation of checks.

It was further alleged that the Chicagoans promised to invest \$950,000 in Georgia C.&S. by purchasing 190,-000 shares of unissued common stock of the company at \$5 a share. In addition, according to the indictment, the accused claimed to have financial backing from Investors Finance & Thrift Corp. of Chicago for purchase of stock up to \$2.7 million. The Chicago finance company denied any knowledge of the scheme.

The defendants were said to have promised to buy Georgia C.&S. stock at \$2.60 a share through Thrift Corp. America which they claimed was a Delaware corporation. Federal investigation revealed there was no such company in Delaware.

Buys Indiana Adjusting Firm

M. M. Johnson Claims Service of Fort Wayne has purchased O. V. Lane Adjusting Co. of Muncie, Ind.

James E. Madden has joined the Merten agency of East Lansing as vice-president in charge of sales. He was with Aetna Casualty.

ance. The railroads contend that the insurance is legal in every respect.

The airlines have a pooling arrangement to help pay the costs of labor strikes. The newspapers have carried business interruption coverage against strikes for 10 years on an association

Mendes & Mount, New York law firm which represents Underwriters at Lloyd's, London, in the U.S., issued a statement declaring that "there is no connection whatever between" Lloyd's and Imperial of Nas-

Reports have been circulated that Imperial was "an associate of Lloyd's

Donna Will Cost \$150 Million On 455,000 Losses

One Of Most Destructive **Hurricanes In Modern Times, Many Boat Losses**

Hurricane Donna, which struck Florida hard over the weekend and then skirted the populous east coast Monday, will produce approximately 455,-000 losses for a total of \$151,500,000 under extended coverage and automobile comprehensive. Indications are that boat losses are numerous since the storm's path traced coast lines with a heavy boat population.

The estimates are 110,000 losses in Florida for \$49.5 million, 60,000 in Virginia and North Carolina for \$16,-500,000, 105,000 in New Jersey for \$31,500,000, 75,000 in New York and on Long Island for \$22,500,000, and 105,000 for all of New England for \$31,500,000.

Fort Myers, Fla., was clobbered, with many total losses of substantial properties. Sarasota was hard hit. There are a lot of losses in the Tampa area but they are much lighter than elsewhere in the state. The Daytona Beach area, where the hurricane exited to the sea, reports 15,000 losses averaging \$400 to \$500. The wind jabbed inland in North Carolina and Virginia, and hit the New Jersey, New York metro-politan and Long Island areas hard and went north east with diminishing winds across New England.

May Be Record Loss

Donna may produce more dollar loss than any other modern hurricane. The Nov. 26, 1950, storm was not a hurricane, though it cost the insurers \$200 million. The mutuals will be hit harder this time, since they moved into Florida aggressively in the late 1940s and are heavy writers in the northeast. Because of widespread, heavy flooding, there are thousands of automobile losses. The storm has been assigned catastrophe number 14 by National Board

General Adjustment Bureau has (CONTINUED ON PAGE 39)

Pruitt Resigns To Undertake Religious Position In Japan

Dudley M. Pruitt, assistant U. S. general manager of General Accident, and associated with the company for 18 years, first as actuary, has resigned and is going to Japan. He will become program director of American Friends Service Committee.

Mr. Pruitt's father was a missionary. and he was born in China. He entered insurance with Independence Indemnity at Philadelphia in 1926, and was with Fireman's Fund in New York before going with General Accident in

He is past president of Casualty Actuarial Society and Insurance Accounting & Statistical Assn.

Trends In Torts And Trial Tactics Are Toward Wider Liability: Miller

A thorough analysis of tort trends and trial tactics was presented to the annual convention in Atlantic City of International Assn. of Insurance Counsel by Robert W. Miller, professor of at Syracuse University. He is managing editor of the association's For the Defense and is editor of both Evidence Rulings and Casualty News Quarterly. Among the trends he noted

Expansion of liability without fault -More departures from established precedent.

-Additional loss-of-consortium cas-

tobacco cases by cancer patients.

—Inclusion of "lost vacation time"

in compensation sought where the employe is injured before he completes his vacation.

Many of these trends are, of course having their impact on insurers and their procedures, Mr. Miller said. Defense And Plaintiff

For the Defense is published to increase the professional skill and enlarge the knowledge of defense lawyers, Mr. Miller observed. In contrast is a news letter for plaintiffs' lawyers where disfavored decisions often are

-Continuation of litigation against characterized as "retrograde" and the courts which dare to so decide are soundly castigated. Its editor wrote:

"Botta vs Brunner was, to our way of thinking, just about the most melancholy, obtusely reasoned opinion of 1958. There was more thunder than lightning in this retrograde decision.'

Yet a few years later, when the same court, now composed of five of the seven judges who decided the Botta case, rejected the viability rule for prenatal injuries, the same editor commented:

A Praiseworthy Trend

"This praiseworthy trend has just that an action will lie for prenatal harm regardless of viability." The ed-"great" and "the fountain of justice."

The area of liability without fault seems to be widening, Mr. Miller well as its limitations (Grunn vs Rogers frightened plaintiff's New Jersey recently held constitutional

come to fine flower in a decision of New Jersey's highest court overruling prior retrograde precedent and holding itor now characterizes the court as

finds. Extrahazardous types of activity have provoked decisional law imposing strict liability for injuries arising from such activity. All law students are fa-miliar with Rylands vs Fletcher, as Construction in which blasting opera-Legislatures have created further exceptions to the ordinary rule of lia-bility based on fault only. For example, its statute that imposes liability for ground damage upon the owner of an (CONTINUED ON PAGE 27)

Hartford Fire Fills **Inland Marine Posts**

Hartford Fire has transferred Henry J. Dupuis, inland marine special agent at Philadelphia, to the home office inland marine department. E. Joseph Acciavatti has been named to succeed Mr. Dupuis. B. J. Casey Jr. has been appointed inland marine special agent in Connecticut and Rhode Island.

Mr. Dupuis joined the company in 1947, was transferred to Philadelphia in 1954 and named marine special agent in 1955. Mr. Acciavatti was with an Atlantic City agency before joining Hartford Fire in 1958. Mr. Casey has been with the company since 1947 and has worked in various departments in the home office and also as inland marine special agent in Maryland.

Marketing Group Names Branch "Man Of Year'

President Judson B. Branch of All-state has been named 1960 "Marketing Man of the Year" by the Chicago chapter of American Marketing Assn. The award, presented at a dinner last week was given to Mr. Branch for "providing dynamic consumer-oriented marketing leadership while continuing Allstate's pioneering philosophy."

Among Allstate's innovations which contributed for his winning the award was the introduction in Illinois and other states of liability insurance with written guarantees of non-cancellation, not offered before by any insurer, and pioneering a compact car discount, the first such premium reduction offered by any company.

Allstate Becomes A Subscriber To Wash. Bureau

Allstate has become a subscriber to Washington Surveying & Rating Bureau, retaining independent filing authority.

It is assumed Allstate will compile complete schedules for commercial fire business probably at about 15% off hureau.

Allstate is able to become a subscriber to the bureau by reason of a state supreme court decision in the North America case which permits bureau subscribers to file all of their rates independently. The department has interpreted this to mean a complete physical filing of all fire rates and forms by subscribers desiring to file independently. So far, only North America, Allstate and Western Pacific have retained independent filing authority, and the only filings by inde-pendents which vary from bureau are Allstate's dwelling filing.

Winter Heads Chicago **Underwriters Salvage**

Herman P. Winter, vice-president and manager of the western department of America Fore Loyalty group, in a special election has been named president of Underwriters Salvage Co. of Chicago. He fills the unexpired term of the late Philip S. Beebe of Hartford Fire.

Mr. Winter has been a director of the company for about a year.

S. F. Insurance Accountants Hear Internal Revenue Man

Insurance Accountants Assn. of San Francisco, at the September meeting, heard Paul O'Rourke, training admini-stration chief of Internal Revenue Service. "So Your Want To Be Understood" was the title of his talk.

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SURPLUS LINES & REINSURANCE

Many Difficulties In Trying To Talk For All Agents: Jones

Montana Assn. of Insurance agents, their annual meeting recently elected Carl W. Daniel, Butte, as president; Gardner Waite, Bozeman, state director; A. E. Paternaude, Anaconda, vice-president and James E. Driscoll, Butte, secretary,

Company-agent consultation is fundamental to the progress of the insurance business, Paul H. Jones, president of the national association, told agents. He said that since the profit statements of most agency companies seemed to be improving, much of the "buffeting back and forth" the industry has suffered should cease in the interest of better all-around rela-

He expressed an obligation as an association leader to work to see to it that his fellow agents, his kind of insurance company, and his own agendo not make errors of judgment in accepting or rejecting changes as they appear. It is the responsibility of the national, state and local associations to represent all members, Mr. Jones said, but he admitted, "perhaps many of us have been guilty of negative thinking and an ultra-conserva-tive position." As an example, he referred to the official NAIA policy of opposition to deferred payment plans, although in actuality agents long ago accepted installment payments premiums in one form or another. Mr. Jones referred to true installment payment as one of the merchandising features of the future which will play a substantial role in increasing the sale of personal lines of insurance.

Many Other Innovations

Many other innovations, used successfully by the direct writer competi-tion, have been advocated, he said, without due regard to their practical and economical application to "our way of doing business." He cautioned the Montana agents against hasty acceptance of proposals which in fact 'start a serious erosion of your business," but emphasized the importance of analyzing each proposal individually carefully weighing the merits and demerits. Although agents may personally oppose these changes, he said, they must realize that "in the long run the public will be the judge and will buy that which they want to buy.

The insurance business has remained too long in the "rut of expediency," he said, and the ultimate good of the business necessitates that all possible avenues be explored. Failure to act accordingly will not only adversely affect the companies to which the association agents owe their allegiance, he said, it will also hinder the progress

(CONTINUED ON PAGE 36)

Chicago, Cook County Handbook Is Published

A new Underwriters Handbook of Chicago and Cook County has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance in this territory. Copies of the new Chicago and Cook County handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

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Homeowners Prime Example Of Selectivity, Other Novel Twists

bring into sharp focus some highly interesting sidelights on selective underwriting. It is well established that companies are not exactly seeking certain dwelling fire business outside the package, and that rates on such dwellings are constantly under scrutiny for proposed increases, while the theoreti- men being chewed by unfriendly dogs,

The homeowners policy continues to cal cost of fire protection in homeowners decreases as the cost of the package declines.

The same situation seems to prevail with the CPL. This form formerly cost \$10 for the basic \$10,000 cover for one year. Agents' windows were full of company signs showing hapless mail-

prosperous citizens being conked by \$11.66. The latter figure is still an golf balls, and delivery men breaking their legs on misplaced roller skates. Liability for all this carnage could be relieved for \$10.

But now, if these tragic events occur in Connecticut, it costs \$18 to have an insurer assume the liability. In New York the cost is \$17. The bargain signs have probably disappeared from agents' windows in those two states. It is said that most of the states still charge either \$10 or \$11 and that the national average would be around

increase of 16% %

Meanwhile, those buying homeowners are getting the CPL coverage cheaper than ever as part of the 1959 standard package, and still cheaper in the deviating companies.

No Relativity

While homeowners and other packages were devised to be sold at a discount, because the customer buys more coverages, and there is theoretically less expense in handling and de-tail, it would seem that there should always be some relation between the rates on the identical coverages outside the package-which originally provided the norm for the discount and supposedly still should—and those in the package, even though homeowners itself builds up its own experience for rating. But that does not seem to be the case

In addition to basic rate increases in CPL, extra charges have been imposed on individual CPL policyholders with outboard motors and swimming pools. The same extras apply under the homeowners form. This would presuppose that these two relatively luxurious possessions would be the cause of frequent claims and suits. It would seem, however, that the homeowners insured would have the larger boats and the larger pools, with more people involved in the use of both, and hence greater exposure to liability. Yet both the homeowners policyholder and the individual CPL insured pay the "extra" charges. As noted, the homeowners insured gets off cheaper overall for the cost of CPL.

Some Are Puzzled

Some underwriters and many agents are puzzled by some aspects of these additional charges. They see incon-sistency because some boat and pool owners in certain geographic areas have exposures practically the year round, while others can only use these luxuries for a few months.

A number of underwriters suspect that insurers haven't got their loss perspective straight on CPL and that the line doesn't show up in its true colors under homeowners. Homeowners losses are under a single code, and the companies, perhaps, don't usually perform the mental gymnastics necessary to differentiate in the contribution each coverage is making to the loss experience.

Dog Bite Payments

Homeowners underwriters do not complain as frequently about boat and pool losses as they do about medical payment claims, which continue to harass them. One underwriter reports numerous \$250 payments for dog bites, and he is glad to be relieved on that basis. If the dog's appetite is whetted by one bite, however, and it is involved in another incident, word gets around a neighborhood, and the second victim is alert to possibilities of recovery. with comic Other incidents begin overtones and wind up tragically. A homeowners insured was inspecting his power mower which had conked out. A helpful neighbor came over, uninvited, to join in the amateur repair work. The neighbor's finger was neatly sliced off. He brought suit for \$10,-000 and later raised it to \$50,000. The case is unsettled. Insured is deeply disturbed, and his wife has left him because of the excitement. Meanwhile the company has a substantial reserve on the case.

Although mothers-in-law and sometimes fathers-in-law do not get along with young married persons, at least in the funny papers, there seems to be (CONTINUED ON PAGE 33)



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Many Variables In Consideration Of WC Cases Involving Cardiac Trouble

Problems of cardiac disability and death claims were analyzed by Harold F. McNiece, dean of the school of law of St. John's University, New York, in a talk to the insurance section of American Bar Assn. at the annual meeting in Washington. Mr. McNiece and his staff in the past year have conducted an investigation into car-

National Heart Institute of the U.S. Public Health Service.

One point emerging from the study is the difference in court decisions in cardiac cases even where the facts are similar or virtually identical, Mr. McNiece declared. This puzzles the medical profession.

However, Mr. McNiece and his staff have concluded that there are a group

of principal variables which, depending upon how they combine in a particular case, will largely determine its outcome. It should not be assumed that all of the variables are restricted to heart cases, since some are applicable to all types of workmen's compensation cases, and even to other areas of the law. However, they are peculiarly applicable to the cardiac area in view of the large number of death cases litigated.

To illustrate his point, Mr. McNiece cited the hypothetical case of an em-

(CONTINUED ON PAGE 25)



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Mutual Casualty Companies' Agency Sections To Meet

T. C. Morrill, vice-president of State Farm Mutual Automobile, will keynote the sales and agency meeting of Conference of Mutual Casualty Companies, Oct. 13-14, at Chicago. He will speak on "Problems, Politics and Peo-

The conference consists of two groups: American agency and exclusive agency representation sections. On the program Thursday for the latter will be Richard G. Chilcott, Nationwide General, and E. B. Rust, State Farm Mutual Auto, on "Utilization of a Separate Company for Writing Normally Unacceptable Risks;" Robert W. Johnson, Mutual Service Casualty, Charles Buston, Federated Mutual Implement & Hardware, and W. C. Horan, Federal Mutual, on "Premium Payment Plans;" Paul A. Siedenburg, Iowa Farm Bureau Mutual, and John O. Hutchins, Indiana Farm Bureau Mutual, on "Sales Incentive Programs That Have Worked;" and Harry W. Beardsley, Preferred Risk Mutual, "Agents Cooperative Advertising Programs." On Friday, Robert E. Evans, Indiana Farmers Mutual, and James E. Odenwald, Nationwide Mutual, will talk on "Insurance Packaging."

Thursday's Program

Thursday's program for the American agency people will have H. P. Dickerson, Nationwide Mutual, "Market Potentials and Market Surveys;" Loren K. Schoephoerster, State Auto, "The Sales Question;" W. L. Trankle, Meridian Mutual, "How Can the Small or Medium-Size Company Meet the Challenge of One-Stop Service?"; Robert F. Steinke, Celina Mutual, "Profile for Progress;" and Robb B. Kelley, for Progress;" and Robb B. Kelley, Employers Mutual Casualty, "Field Intelligence." The section on Friday will hear Robert C. Dauer, F.C.&S. Bulletins, on "Report on Merit and Safe Driver Plans," and O. C. Lee, Harleysville Mutual Casualty, "Changing the Marketing Image of Your Company." Chester M. Kellogs Alfred M. Best

Chester M. Kellogg, Alfred M. Best Co., will speak on "What Affect Is Sales Competion Having on Company Statements?" at the joint session Fri-

Sul America Surplus Line Firm Has Large U.S. Fund

South America Managers, Philadelphia, has reported that the trust fund of Sul America Terrestres, Maritimos e Acidentes Companhia De Seguros of Rio de Janeiro on deposit with Grace National Bank of New York now exceeds \$500,000. The irrevocable trust is for the exclusive protection of U.S. policyholders.

Sul America has recently been approved as a surplus line insurer in Florida.

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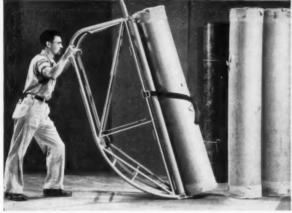
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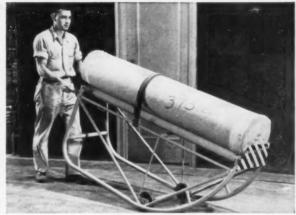
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Relations With Customers Are Described By Additional Insurers

to The National Underwriter survey came from an officer of a stock life life. At the time he bought the policy insurance company who could not in 1908, he didn't own a foot of land claim any special effort in the area of policyholder relations by his company. He writes:

"For years we have given lip service to the part the agent plays in policyholder relations; but about two months ago I pulled the cards on our 75 oldest policyholders and wrote each a personal letter asking if they remembered the agent who sold them their policy, they bought, and please tell something about themselves.

'You would have been surprised, and I was utterly amazed, by the answers which rolled in. Only one out of the 75 had ever had one of our agents call upon him after the original for three or four years. The son of one man who bought a policy in 1910 replied that when his father died, he thought that the old handwritten contract was of no value.

"Some of the old policyholders sent me pictures taken at about the time they bought the policy and pictures

An interesting and candid response taken 50 years later. One man sent me doctors and graduate nurses for cona magazine containing the story of his in 1908, he didn't own a foot of land and was in debt. Today he owns thousands of acres of land and 20,000 head of sheep. But as far as he knew, none of our agents had ever gone back to see him after he bought the original \$5,000 of life insurance.

"This old policyholder project of mine causes me to bow my head in shame; and when you ask me if I have any thoughts about the importance of close customer relations to our company's operations, you can guess that you have touched on a tender, sore, but hopeful subject."

Liberty Mutual

Liberty Mutual has an extensive sale. Some of the 75 had been dead program, in keeping with its nature as a specialty company dealing with large industrial customers. Liberty Mutual furnishes a range of professional services designed to keep working conditions safe and healthy

> Engineering supervision and on-thejob safety clinics are supplied to customers. Staffs of industrial hygienists,

sultation in plant medical programs are available. The company has a large research laboratory for the study of safety techniques to be used against accidents, air pollution, radioactivity dangers, and for use in the establishment of fire and traffic safety programs.

At regional meetings for big buyers, held every two months or so in major cities, a group of Liberty Mutual experts present the story of these varied services to the customer. Buyers are briefed on insurance programs and Liberty Mutual solutions. Demonstrations of safety devices are made. The audience participates in the activities, being made to see the danger of spreading radioactive or fluorescent materials.

The results of laboratory work on problems tackled at the Liberty Mutual research center include instru-ments that predict tunnel and roof cave-ins, prevent building damage due to the vibration of heavy machinery, and measure air pollution. These are explained at the meetings, along with progress reports on problems such as highway safety that are yet to be

Liberty Mutual also reaches the companies it services through its regional advisory boards. These are composed of executives of customer companies, along with one member of the Liberty Mutual staff. The boards discuss legislative, industrial, and insurance problems confronting the companies, give the companies a sense of common cause with their insurer.

In addition, a great variety of printed material—statistical surveys, research reports, legal informationreaches customers from Liberty Mu-

Nw Mutual Life

Northwestern Mutual Life has an examining committee of policyholders that is elected annually and conducts an independent annual review of management policies and practices. It employs its own auditors and other personnel, and reports its findings and other suggestions to policyholders in the annual statement and to the company's board of trustees.

The committee gives Northwestern Mutual the benefit of outside thinking from leaders in industry, finance, and the professions. Committee members are authorized to look into everything the company does, to ask questions, to look into records and expense accounts. From time to time company procedures have been changed at the suggestion of the committee. The first Northwestern Mutual nation-wide advertising campaign came at the suggestion of the examining committee. which also urged that an outside accounting firm handle the company's

Northwestern Mutual maintains an insurance services committee, which conducts campaigns to increase customer awareness of insurance problems. As part of a centennial program in 1957 the committee sent personalized letters to all of its policyholders who had not changed their beneficiaries in 10 years or more. An estimated 30% of those reached had changes to make, either through their

(CONTINUED ON PAGE 30)

Neal Is Chicago Manager Of Great American

Donald J. Neal has been appointed manager of the Cook County and Illinois department of Great American to succeed Eric Ganz, resigned.

Mr. Neal will have headquarters in the western department at Chicago. He is a graduate in fire protection engineering at Illinois Tech. He had inspection bureau experience and was with Atlas before joining Great American two years ago.

Southern Cal. Buyers Slate Annual Conclave

The annual buyers conference of Southern California chapter of American Society of Insurance Management will be held Sept. 21 at Los Angeles.

Speakers will be Ira S. Brander of Los Angeles, president National Assn. of Insurance Brokers; Harold Toso, president Sayre & Toso; Gordon Snow, vice-president Pacific Indemnity; Raymond Stanbury, attorney Jack Seiter, vice-president Johnson & Higgins; Dr. Gerald Shaw of California Physicians Service; Holeman Grigsby, regional group manager of Aetna Fire; and C. H. Austin, Standard Oil of Indiana.

The keynote address will be delivered by Waldo Powers, Signal Oil &

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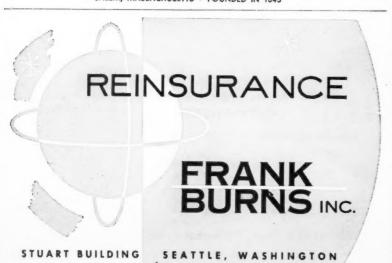
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Uniform Radiation Liability Act Advocated By National Law Unit

In a discussion before the insurance section of American Bar Assn. at the annual meeting in Washington, William J. Pierce, professor of University of Michigan law school, reported on a uniform radiation liability act recommended by a special committee of National Conference of Commissioners on Uniform State Laws. Mr. Pierce is on the executive committee of the conference.

He said that even assuming that every feasible measure for assuring safe operation of reactors within populated and economically developed areas have been taken, there remains the possibility of a major reactor incident. Absolute safety is impossible, and reasonable risks must be accepted by the public, since it already accepts some risks in connection with all types industrial activity. However, the public has a further interest in assuring that adequate compensation for injuries is available and that the compensation can be obtained with relative ease

The problem of adequate compensation has been largely resolved by the 1957 Anderson-Price amendments to the Atomic Energy Act which were designed to assure the availability of compensation to the public and to eliminate the major obstacle to peaceful uses of atomic energy by private industry created by the lack of adequate protection against liability. To accomplish these objectives, the act requires reactor licensees to obtain private insurance, or to provide "fi-nancial protection," up to the maximum amount of protection offered by private insurers.

No State Provisions

In addition the act limits the liability of reactor licensees to the amount of the insurance plus \$500 million, and for a nominal charge grants govern-mental indemnity of \$500 million beyond the required amount of protection. Thus, through a combination of private insurance and federal indemnification, Congress has provided a system whereby compensation is available to persons injured by any major reactor incident, Mr. Pierce noted.

It is clear that Congress, however, has in no way attempted to affect sub-stantive doctrines of liability for atomic industry as they have been or may be developed by the states, Mr. Pierce continued. The joint Congressional committee report accompanying the Anderson-Price amendments stated: "Since the rights of third parties who are injured are established by state law, there is no interference with the state law until there is a likelihood that the damages exceed the amount of financial responsibility required, together with the amount of the indem-nity. At that point the federal interference is limited to the prohibition of making payments through the state courts and to prorating the proceeds available." States are, therefore, left free to impose upon reactor licensees their own legal liability doctrines.

Difficult To Make Case

Mr. Pierce explained that the existing doctrines of liability that might be applied in adjudicating the rights of a person injured by a nuclear accident include negligence, negligence coupled with a liberal utilization of res ipsa loquitur, and strict liability, or liability without fault. If the negligence doctrines are applied in the case of a

major reactor burn-up, injured persons may encounter difficult or perhaps insuperable problems of proving a failure to exercise due care.

Cites Recent Study

In a recent study conducted under the auspices of Harvard Law School and the Atomic Industrial Forum, it is reported that liability for negligence is manifestly unsatisfactory when applied to the circumstances of an atomic accident. The plaintiff would have an almost impossible task to prove the defendant's fault when the pertinent evidence might have been destroyed by the accident itself. Furthermore, the technical and complex evidence required affirmatively to establish negligence is peculiarly within the knowledge of the defendant, and it would be unreasonable to expect the plaintiff or his counsel to attempt to assemble and master it.

fault concepts have their common law

origin in the 1868 case of Rylands v Fletcher, Mr. Pierce observed. Although the case is more than 90 years old, its implications and acceptance in the U.S. remains in doubt. While 13 jurisdictions have indicated some acceptance of the strict liability principles applied in that case, seven jurisdictions have indicated that the doctrine will not be utilized. However, where Rylands v. Fletcher has not been approved, there is evidence that the standard of care required has been raised considerably in respect to inherently dangerous activities. Never-theless, the degree of acceptance of strict liability doctrines and their application outside the rather limited facts of Rylands v. Fletcher remains dubious. Also unknown is the scope of possible exceptions such as the effect of acts of trespassers or acts of God, such as floods, earthquakes, or tornadoes.

The restatement of torts expounds a more liberalized concept of liability without fault for ultrahazardous activities, but the restatement has not been utilized in actual case decisions other than in Pennsylvania, Mr. Pierce de-Strict liability or liability without clared. Despite the uncertainties, a

(CONTINUED ON PAGE 32)

Tenn. Rejects Bureau Auto Hikes, Special Plan, Compact Filing

Commissioner Long of Tennessee has turned down the request of National Bureau and National Automobile Underwriters Assn. for rate increases of 25% on private passenger liability and 6% on comprehensive and collision coverage. In a decision following a public hearing, he also rejected proposals for their special auto policy and safe driver plan and applications for special discounts on compact cars.

Fails State's Requirements

Mr. Long, who turned down filings for rate increases last January, said that the renewed request for higher rates failed to meet the state's requirements that charges be fair, reasonable and not unfairly discriminatory. He said he rejected the compact car discount because the statutes do not allow him to approve or deny certain portions of the same filing.

Federal Mutual of the Kemper group has been licensed in Oregon.

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Describes CPCU Role In Meeting Crucial Industry Problem-Finding Self-Starters

The role of CPCU in meeting what the insurance business—quality manpower-was described by Edwin S. Overman, assistant dean of the American Institute. In a talk before the Chicago chapter of CPCU, he pre-dicted that the need is likely to grow

Mr. Overman said his reference to he termed the crucial single need of manpower was not to the masses of personnel in an organization but to those individuals "who have sufficient mental capacity coupled with adequate incentive for improvement or deep-seated desire to advance . . . In other words, manpower develop-

development.'

is the lack of management development programs, he declared. Most major business organizations do have a well-defined program. To implement this, they must hire quality college graduates, outline the stages of responsibility their prospective executives are likely to take, and give them freedom of action within this responsibility.

He stressed the necessity of delegating responsibility to up-and-coming

subordinates if development is to be One of the weak spots in insurance made. The boss who does not give his men the chance to fail does not help his men grow.

Explaining how to handle cocky young men with high aspirations, Mr. Overman quoted Frederick R. Kappel, president of American Telephone & Telegraph Co.: "'Personally I like to have these men brought into the Bell System. I want to get the benefit of the good qualities they possess. But I would make sure that we put such a man into a work situation which will bring home to him fast how relatively little he knows and how much he has to learn.

On-The-Job-Training Slow

Prior to CPCU, insurance men had to rely entirely on experience. "On-the-job, apprentice-type training is a mighty slow process. Certainly a company can't wait 30 years to use a man," Mr. Overman said. Hence the necessity for a college-type course which could shorten the time required to learn technical skill and executive knowledge. The CPCU program emphasizes reasoning ability over factual knowledge by using the case method and prescribes a rigorous technical study of insurance.

Same Problem That Industry Faces

The major problem faced by those who administer CPCU is the same as that faced by the industry-acquiring quality candidates. A CPCU education is not for the masses, and the soughtafter candidates are the self-starters, those who aspire to advancement. They have higher than average intelligence and ambition and are not content to remain clerks the rest of their business lives.

Must Be Sold On CPCU

People who have to be sold on CPCU are not satisfactory candidates because the inherent desire for improvement must be there already, he said. A man who must be convinced of the value of education may attend the first class but is not likely to show up after that.

Does attainment of the CPCU designation guarantee future advancement? Emphatically no, said Mr. Overman. CPCU is merely evidence that one possesses self-development propensities, that he is not only a selfstarter but also a completer. It must be considered a "benchmark" of his

He reminded his listeners that it is not the college degree nor the CPCU key that provides greater earning potential. Rather, it is the kind of person with the kind of drive to complete rigorous educational programs which bring about advancement.

The positive approach The London market

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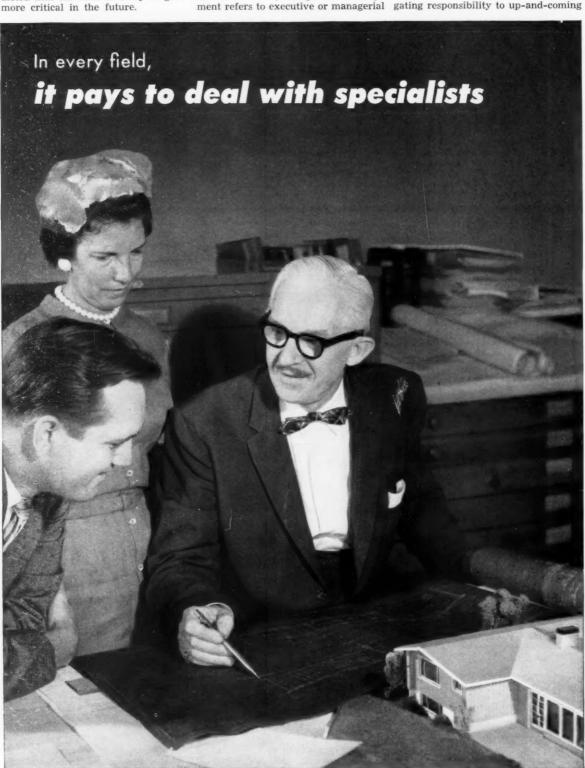
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ties hinging on the outcome. Immediately following, *Chet Huntley Reporting* will turn the keen scrutiny of the country's ace news reporter on timely and intriguing topics of national and international importance.

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Interest Charges On Contested BI Claims **Would Not Help Solve Court Congestion**

The suggestion that personal injury lawsuits can be speeded through the courts by applying interest to damages from the day the suits are filed was attacked as misguided and inequitable by William H. Carns, secretary of Zurich and representative of Illinois speech to the Chicago Heights Rotary

The practical effect of the idea would be to make Chicago and Cook County "a national legal lottery where personal injury suits dragged in from the other 49 states of the union would reduce our courts to legal chaos."

The speaker predicted that under a law automatically charging the de-fendant interest on damages, Illinois would become the hunting ground for every contingency fee lawyer who by some legal device could contrive to get service on a defendant through a corporate representative in the state and thus "swing aboard the tax-free, 5%

gravy train," and the inrush of new cases would make the present backlog in the courts of 92,000 cases involving personal injury look trifling by comparison.

Warns Of Additional Backlog

"Cook County is already overloaded Insurance Information Service in a by trials of claims for injuries which of everyone concerned. speech to the Chicago Heights Rotary occurred in cities and areas remote

Also, "the backlog is from Chicago and even remote from Illinois," Mr. Carns said.

"The largest verdict in the last term of court in the county, for instance, resulted from an accident that occurred in Jacksonville, Fla. Imposition of such an interest rule would be an open invitation to bring in even more out-of-state cases into Illinois."

Illinois taxpayers would have to foot we would have to build more court rooms and provide more judges to try the additional cases. Second, we would have to dig a little deeper each year when we pay for our motor car insur-

ance, because that tax-free 5% plum for the plaintiffs and their lawyers can only come from the premiums that we pay for our insurance," he said.

As to the question of the equity of such a system, the speaker pointed out that an imposition of penalties exclusively against the defendant, with no compensating penalties levied against plaintiffs and their lawyers for unjustified or frivolous cases, could not be expected to result in fair treatment

Also, "the backlog is already there and an ordinary suit automatically now faces about a 60-month delay between filing date and the trial and verdict. Imposition of interest for that period would mean penalizing the defendant for delays over which he has no control."

Mr. Carns found that there are two false assumptions behind the reasonthe bill, Mr. Carns continued. "First ing that gave rise to the interest proposal. The first is that insurance companies welcome and foster delay in the courts; the second that the defendant and his insurance company

(CONTINUED ON PAGE 36)

Royal-Globe Into Underwriting Black

Royal-Globe had an underwriting profit of \$1,689,722 in the first six months of 1960 compared with a loss of \$2,775,476 for the similar period in 1959. Premiums written were up by \$9,940,852 to \$129,096,149—the largest volume ever written by the group in a first half year. Policyholders surplus on market basis rose by almost \$16 million from Dec. 31, 1959, to \$190,-260,389.

The ratio of losses and loss expenses to premiums earned was 59.57 and the ratio of other expenses to premiums written was 36.28. The total of 95.85 compared with 100.37 for the first six months of 1959.

Net investment income before federal taxes was \$7,472,238, an increase of \$476,963. Combined operating profit before federal taxes was \$9,161,960, up by \$4,942,161 over the similar peri-

America Fore Loyalty In New Dallas Office

America Fore Loyalty group has moved two of its Dallas offices to the new Mercantile-Continental building at 1810 Commerce Street. The group has leased the eighth, ninth and part of the 10th floor, about 60,000 square feet, to house operations previously conducted at 1505 Federal Street and 912 Commerce Street.

Open house will be held Nov. 4 for agents and brokers, and local business and civic leaders. A family day party will be held Nov. 6 for the group's employes and their families.

AEC Sets Limits On Exposure To Radiation

The Atomic Energy Commission has revised its regulations for the protection of employes in atomic energy industries and the general public against hazards arising out of the possession or use of AEC-licensed radioactive materials.

The principal effect of the amendments will be to limit the life-time accumulated dose of radiation workers to approximately one-third the limits now permitted. Also included is a comprehensive revision of the concentrations of radioactive materials to which employers may expose persons in areas under their control or which may be released by the employer into the environment without specific approval of AEC.

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Breach Of Liability Policy Warranty Does Not Void Coverage, Court Holds

such as will breach the coverage was court in Hall's Aero Spraying vs Lloyd's of London. The court held that though one of the policy warranties required Hall to comply strictly with all regulations of federal, state and local authorities applicable to crop dusting, spraying, seeding, fertilization or baiting operations. Hall's failure to do so did not breach the contract since the insurers did not show that the breach of the warranty contributed to the loss. The case is reported in CCH 10 (Fire & Casualty) 289.

Lloyd's Brings Action

Lloyd's brought action for a declaratory judgment against Hall and a number of landowners who were asserting claims against his firm for crop damage allegedly arising out of crop dusting operations conducted by Hall near Sulphur Bluff, Tex., in May and June of 1958.

Hall, an Arkansas firm, had a liability policy containing several warranties, including the one at issue. He failed to comply with the Texas department of agriculture's regulations of crop dusting by failing to obtain a permit before undertaking spraying operations, and by failing to obtain prescribed equipment licenses.

"Unlawful Purpose"

Lloyd's argued that Hall breached the warranty and that conducting of spraying operations without a permit and equipment license from the state constituted operation of the aircraft for an "unlawful purpose."

The district court rejected the argument of "unlawful purpose." How-ever, the court stated that it is "the settled law in Texas that a promissory warranty contained in a policy of insurance (other than fire insurance) must be literally complied with and that the failure to literally comply with a promissory warrant will render the policy ineffective or unenforceable." This is true, the district court said, "whether or not the failure to comply with the warranty prejudiced the insurance company.

Consequently, the district court entered judgment for Lloyd's. The appeals court reversed and remanded; it agreed with Hall's contention that in holding that the clause relating to compliance with state and other regulations applicable to spraying operations is promissory warranty, the district court erred.

Specific In Other Places

The appeals court noted that in the Lloyd's policy, immediately preceding the clause on warranties, is a clause of exclusions which presents 11 specific instances in which Lloyd's liability would not attach. There is another set of exclusions in the insuring clause of the policy. There is also a clause in the insuring clause which provides that "this entire certificate shall be void (6) If the assured has concealed or misrepresented, in writing or otherwise, any material fact or circumstance concerning this insur-ance or the subject thereof; or (7) In the case of fraud. . .'

The higher court then concludes "since the forfeiture provisions are absent from the clause relied on by the Underwriters, but appear elsewhere in the policy and endorsement,

When a warranty is not a warranty the clause will not be interpreted as a ch as will breach the coverage was warranty." In this connection the court ruled on by the fifth U. S. appeals cites the case of Phoenix Assurance vs Munger.

Lloyd's sought to distinguish the Munger case on the ground that it involves a fire policy, the rule as to which, it is claimed, is different from the rule to be applied to liability policies. With this the appeals court disagreed. It concluded that the so-called

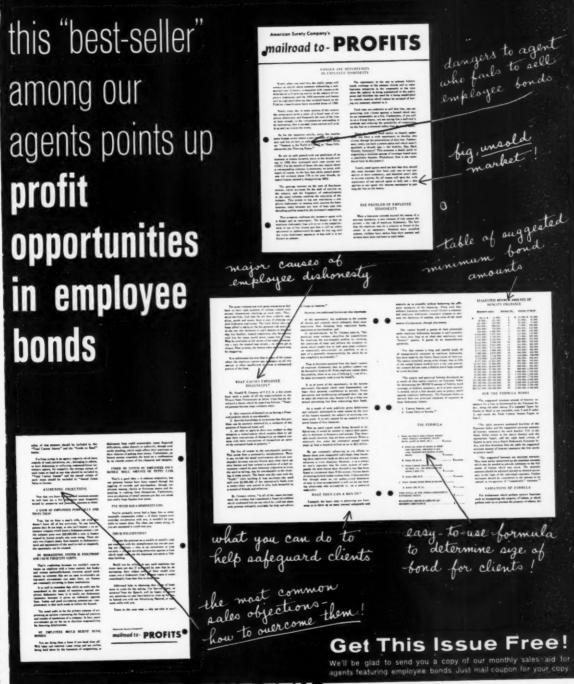
mental regulations was not such a warranty in the technical sense as the breach and the loss the breach is would render the policy ineffective or unenforceable upon a breach of it.

The higher court also ruled that there was no purpose on the part of Hall to do an unlawful act. The purpose was to spray by aircraft, a purpose recognized as lawful, even though regulated, by the Texas legislature.

The court also ruled that having determined that the breach of a policy provision has not rendered the insurance contract unenforceable, the next question is whether the breach and L. W. Anderson, Dallas, for Lloyd's.

warranty of compliance with govern- has contributed to the loss. In the absence of a causal connection between not a defense, the court said. The record contains no evidence tending to show that the failure of Hall to com-ply with the state regulations regarding a permit and equipment licenses contributed in any way to the losses which are alleged to have occurred and against which the policy was intended to insure.

Howard Barker and J. W. McBryde of Fort Worth and P. H. Hardin of Fort Smith, Ark., appeared for Hall,



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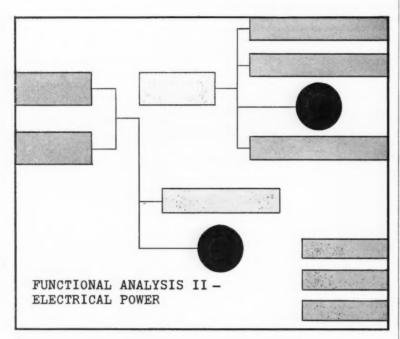
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Conventions

Sept. 18-20, New Hampshire agents, annual, Mount Washington Hotel, Bretton Woods.

Sept. 18-20, West Virginia Assn. of Mutual In-surance Agents, Jackson Hotel, Clarksburg. Sept. 18-21, Idaho agents, annual, Sun Valley Lodge, Sun Valley.

Sept. 19-20, Minnesota mutual agents, annual, Pick-Nicollet Hotel, Minneapolis.

Sept. 19-21, Washington agents, annual, Olympic Hotel, Seattle.

Sept. 21-23, Canadian Federation of Insurance Agents & Brokers Assns., annual, Mont Tremblant Lodge, Mont Tremblant, Quebec, Canada.

Sept. 21-23, Oregon agents, annual, Sheraton-Portland Hotel, Portland.

Sept. 21-23, Western Loss Assn., annual, Lake Lawn Lodge, Delavan, Wis. Sept. 25-27, Indiana mutual agents, annual, Hotel Van Orman, Fort Wayne.

Sept. 26, New Jersey agents, annual, Hotel Traymore, Atlantic City.

Sept. 26-28, National Assn. of Insurance Agents, annual, Chalfonte-Haddon Hall, Atlantic City, N. J.

N. J.
Oct. 2-4, Zone IV National Commissioners,
Fort Des Moines Hotel, Des Moines, Iowa.
Oct. 2-5, National Assn. of Casualty & Surety
Agents and National Assn. of Casualty &
Surety Executives, combined annual. The
Greenbrier, White Sulphur Springs, W. Va.
Oct. 6-8, California Assn. of Independent Insurance Adjusters, annual, Ambassador Hotel, Los Angeles.

Oct. 8-11, Kansas agents, annual, Broadview Hotel, Wichita.

Oct. 13-14, Conference of Mutual Casualty Com-panies, sales and agency meeting, Conrad Hilton Hotel, Chicago.

Oct. 14-15, North Dakota agents, annual, Grand Pacific Hotel, Bismarck.

Oct. 16-18, Arizona agents, annual, Pioneer Hotel, Tucson.

Oct. 16-18, Maryland agents, annual, Hotel Emerson, Baltimore.

Oct. 16-18, Ohio agents, annual, The Neil House, Columbus.

Oct. 17-19, Wisconsin agents, annual, Schroeder Hotel, Milwaukee. Oct. 18-19, Massachusetts agents, annual, Sheraton Plaza Hotel, Boston.

Oct. 21-23, Colorado agents, annual, Broad-moor Hotel, Colorado Springs.

Oct. 22-27, National Assn. of Mutual Insurance Agents, annual, Statler Hotel, Washington, D. C.

Oct. 23-25, Missouri agents, annual, Governor Hotel, Jefferson City. Oct. 24, Rhode Island agents, annual, Sheraton-Biltmore Hotel, Providence.

Oct. 24-26, Assn. of Mutual Insurance Engineers, regional meeting, Sheraton Dallas, Hotel, Dallas.

Oct. 24-26, California agents, annual, Sheraton-Palace Hotel, San Francisco.

Oct. 26-28, Nebraska agents, annual, The Town House, Omaha.

Oct. 27, Connecticut agents, annual, Statler-Hilton Hotel, Hartford.

Oct. 27-28, Kansas State Assn. of Mutual In-surance Companies, Holiday Inn. Topeka.

Oct 27-29, New Mexico agents, annual, Western Skies Hotel, Albuquerque.
Oct. 30-Nov. 1, Illinois agents, annual, Pere Marquette Hotel, Peoria.

Oct. 30-Nov. 1, Tennessee agents, annual, Andrew Jackson Hotel, Nashville. Oct. 31-Nov. 2, Nevada agents, annual, Las Vegas.

Nov. 1-3, National Assn. of Independent In-surers, annual, Chase-Park Plaza, St. Louis.

Nov. 2-3, Michigan mutual agents, annual, Pantlind Hotel, Grand Rapids. Nov. 9-11, Insurance Section, American Management Assn., fall conference, Drake Hotel, Chicago.

Nov. 10-11, Central Claims Executives Assn., Morrison Hotel, Chicago.

Nov. 13-15, Kentucky agents, annual, Kentucky Hotel, Louisville. Nov. 14-16, Indiana agents, annual, Claypool Hotel, Indianapolis

Nov. 16-18, Casualty Actuarial Society, annual, Statler Hotel, Washington, D.C.

Nov. 28-Dec. 2, National Assn. of Insurance Commissioners, regular meeting, Commodore Hotel, New York.

Dec. 1-2, Conference of Mutual Casualty Com-panies, accounting & statistical, office meth-ods & personnel meetings, Conrad Hilton Hotel, Chicago.

Dec. 28-30, American Assn. of University Teachers of Insurance, annual, St. Louis.

The Schiff, Terhune brokerage firm of New York has appointed Lawrence Greenfield fire engineer. He was formerly with Factory Insurance Assn., which he joined in 1956 as inspector of industrial properties. He advanced to fire protection engineer with FIA.

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> Charles A. Pollock, Jr. PRESIDENT

Mich. Agents Assn. **Compiles New List** Of Fire Deviations

Michigan Assn. of Insurance Agents has gotten out a new deviation list of all companies having rates, rules or forms different from those filed by Michigan Inspection Bureau. A few independent filings are included also as a matter of information.

The new deviation bulletin is complete through August, except that there is no itemization of county farm fire mutuals. It is noted that many county farm fire mutuals have reorganized as general mutuals, principally to obtain authority to include windstorm in farm fire EC coverage. As subscribers to the bureau, they usually exclude farm property, churches, schools, lodge halls and fairground property in rural areas of 9th and 10th class protection, for which they file independent rates and

Most mutuals use a commuted premium payment plan in lieu of the bureau installment plan. Originally this involved issuance of three or five year policies with one-third or one-fifth of the term premium payable annually, but with each annual payment computed at "the then current legal rate." The department has ruled that a commuted rate could be guaranteed for a full policy term, just as with the in-stallment plan, and most companies have changed to a guaranteed rate.

Many stock companies file portions of their homeowners independently rather than go through three bureaus. These are regarded as "technical" deviations involving little or no change in rate or form.

In the list of deviations, the term "deductible plan" usually means a range of \$5,000 to \$500,000 or more.

References to homeowners are to the "new new" unless otherwise stated.

Where no reference to homeowners is made, the company is either (a) not deviating, (b) not authorized to issue multiple-line policies, or (c) not writing personal packages.

The association points out that deviations apply at inception of a policy and should not be confused with dividends, which apply at expiration. It is added also that, although care has been used in compiling the list, its accuracy cannot be guaranteed.

Actas Fire: Fire legal liability; collapse Affiliated FM: Independent forms and rating chedule; filings include commercial property olicy; industrial property policy, office con-

policy; industrial property policy, office contents.

Agricultural: Open builders risk form; contractors multiple-peril coverage; additional perils endorsement; deductible plan.

Alistate: Subscriber to bureau except for class-rated dwellings, homeowners, apartments and trailer homes; independent dwelling class rates except homeowners, about 25 per cent lower then bureau; equivalent homeowners about 10 per cent less; 15 per cent off all other; partial payment plan—50¢ payment fee; 5M to 75M deductible plan.

American Auto: 15 per cent reduced homeowners; deductible plan.

American Casualty: Special comprehensive property coverage; deductible plan.

American Bruggists: 20 per cent fire rates (writings limited primarily to drug trade.)

American Eonomy: 20 per cent reduced rates except multiple-line package policies.

American Hardware Mutual: Multiple-peril implement dealers stock floater.

American: All-risk form; comprehensive dwelling; deductible plan.

American Mandacturers Mutual: deductible plan.

plan.
American Motorists: Deductible plan.
American Reciprocal Insurers: Preferred
risks written on independent forms and rating

plan.

American States: Homeowners broadened theft, llability, voluntary PD-no additional charge for swimming pools or outboard motors; mercantile building and contents broad form.

Anchor Casualty: 20 per cent reduced rates for auto filling station package; special motel policy, about 20 per cent reduced rates; special all-risk automatic laundry owners policy; special all-risk coverage endorsement; deviated business interruption rules; about 20 per cent

reduced rates for retail merchants package.

Associated Indemnity: 15 per cent reduced fire rates.

Assurance of America: 20 per cent reduced fire rates; 10 per cent reduced homeowners.

Atlantic Mutual-Centennial: Deductible plan; depreciation cover; dwelling replacement cost; commercial all-risk endorsement.

Austin Mutual: 15 per cent reduced rates, including homeowners.

cluding homeowners.

Badger Mutual: 15 per cent reduced rates except wind; government housing project forms; reduced minimum premium for auto filling stations; multiple location form deviation.

Badger State Mutual Casualty: 15 per cent

Barry & Eaton Mutual (Charlotte): 15 per cent reduced fire rates except farm property.

Boston and Old Colony: Broad form camp coverage; special motel policy; deductible plan.

Brotherhood Mutual: 35 per cent reduced re rates; direct writer of Mennonite proper-

Buckeye Union Fire: Reduced deductible de-etion rates for office contents; 49D; added

overage on money. Cambridge Mutual: 15 per cent reduced rates,

cluding homeowners.

Celina Mutual: 15 per cent reduced rates,

Celina Mutual: 15 per cent reduced rates, including homeowners.

Central Mutual: Dry cleaners additional peril coverage; deductible plan.

Church Fire: 20 per cent reduced rates; quarterly premium payment plan; comprehensive church policy (writings confined to church property, principally of Episcopal faith.)

Church Mutual: 35 per cent reduced fire rates; 20 per cent reduced homeowners; special replacement cost; optional V&MM (writings confined to church property, principally of Lutheran faith.)

Citizens Mutual: Chattel mortgage non-filing

overage.

Consolidated: Broad form mercantile.

Continental Casualty: Family protection poli-

v; merchants protection policy.

Covington Mutual: 15 per cent reduced rates, including homeowners.

Cream City Mutual: 15 per cent reduced rates,

Dowagiae Mutual: 15 per cent reduced fire

ates.

Druggists Indemnity Exchange: 25 per cent educed fire rates.

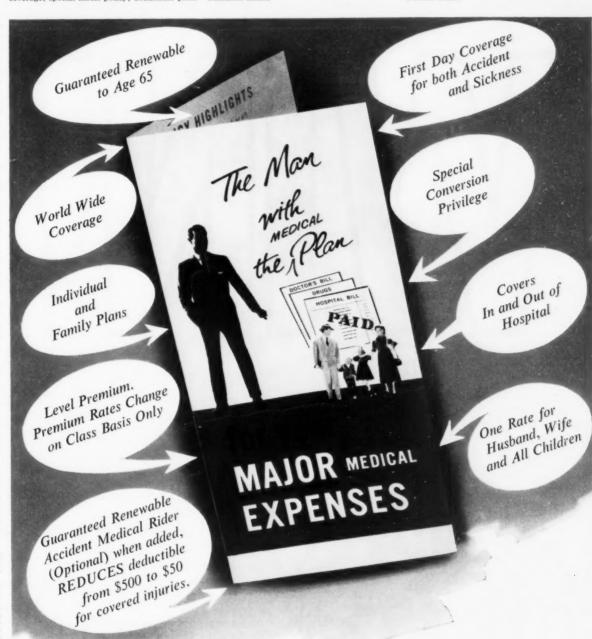
Employers Group: Special motel policy.

Employers Mutual Casualty: 15-20 per cent educed rates for certain classes; blanket school

olicy.

Eureka: 12½ per cent reduced homeowners.

Excelsior: 15 per cent reduced old home-wners A&B.



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Farm Bureau Mutual (Mich.): 15 per cent reduced rates including homeowners; no minimum premium for blanket farm personal property; \$3 flat charge for TV antenna wind inclusion; \$3 flat charge for all-risk glass coverage in dwellings and farm residences; optional deductible on farm fire.

Farmers Mutual (Traverse City): 15-20 per cent reduced fire rates.

Federal (Chubb & Son): Demolition and limited increased cost of contruction; depreciation coverage; lessee and or increased cost of construction liability; deductible plan; valued business interruption; special rates and form for housing projects; commercial property policy; additional perils endorsement for commercial property.

cy; additional perils endosement for commercial property.

Federal Mutual: 15 2/3 per cent reduced fire rates except farm; 10 per cent off homeowners.

Fire Exchange: Up to 20 per cent reduced annual fire rates, no term rule; \$2 membership fee, special dwelling package.

Fireman's Fund: Vacation rain insurance; special replacement cost.
Florists Mutual: 15 per cent reduced fire rates; special wind and hail additional peril endorsement.

Frankenmuth Mutual: 15 per cent reduced re rates, including homeowners; independent

fire rates, including homeowners; independent farm forms and rates.

Fremont Mutual: 15 per cent reduced fire rates; no short-rate cancellations.

General of Seattle: 10 per cent off old homeowners A, B, and tenants; commuted premium payment plan; replacement cost; deductible plan; special dwelling continuous policy; 49D or 49S applicable to motel policy.

Government Employees: 25 per cent reduced fire rates.

fire rates.

Grange Mutual (Cadillac): 15 per cent reduced fire rates except farm.

Grangers Mutual: 15 per cent reduced rates,

including homeowners.

Granite State-New Hampshire: Broad form

camp coverage; special motel policy.

Great American: About 5 per cent off special homeowners with mandatory deductible; 20 per cent off fire portion of motel policy; deductible plan; liberalized eligibility for CPL.

Great Central: 15 per cent reduced fire rates; monthly premium payment plan.

Guarantee Mutual: 15 per cent reduced fire rates; 10 per cent off homeowners 1 to 4.

Halifax: Special motel policy.

Hamilton Mutual: 15 per cent reduced fire rates; 10 per cent off homeowners—5 year term, broadened theft, no additional charge for swimming pool or outboard motor.

Harford Mutual: 15 per cent reduced rates, including homeowners.

Harford Mutual: 19 per cent reduced rates, including homeowners.

Hartford Fire: Consequential loss beet spoil age; livestock at sales auctions, etc.; collapse; livestock mortality.

Hastings Mutual: 15 per cent reduced fire rates; about 5 per cent off homeowners; no short rate cancellations; continuous policy

clause; independent farm forms and rates.

Hawkeye-Security: Deductible plan; reduced rate on fire portion of motel policy.

Hillsdale Mutual: 15 per cent reduced fire rates on dwellings in class 1 through 8; independent rates for dwellings in class 9 and 10.

Home: Weekly premium industrial fire coverage (writings confined to risks not able to meet initial minimum premium requirements); deductible plan.

Home Mutual: 15 per cent reduced rates, including homeowners.

Implement Dealers Mutual: 15 per cent reduced rates, except homeowners.

Indiana Lumbermens Mutual: Deductible plan; broad form mercantile.

Ins. Co. North America: Independent dwelling class forms and rates (identical to bureau); 15 per cent off old homeowners A-B-C; extended replacement cost; depreciation coverage; liability imposed by law; collapse; commercial all-risk endorsement; public utility contractor risks; special motel policy; special apartment owners policy; funeral directors package; contingent B I; multiple peril errors and omissions; increased cost of construction.

International: About 30 per cent reduced rates (writings confined to property of Seventh Day Adventist Church.)

Iowa Hardware Mutual: 15 per cent reduced fire rates; 10 per cent off homeowners, except

lows Hardware Mutual: 15 per cent reduced fire rates; 10 per cent off homeowners, except 50 per cent off swimming pool and outboard motor charge.

motor charge.

Jersey: 15 per cent reduced fire rates (20 per cent off NBCU and NAUA.)

Jewelers Mutual: 30 per cent reduced rates; restricted jewelers block.

Kansas City F.&M.: Deductible plan; contents replacement cost.

Lenawee Mutual: 15 per cent reduced fire rates on dwellings in class 1 through 8; 15 per cent off commercial anywhere; independent rates for dwellings in class 9 and 10.

Liberty Mutual: Deductible plan; depreciation coverage.

Liberty Mutual: Deductible plan; additional perils endorsement.

Lumber Mutual Fire: 10 per cent reduced rates, including homeowners.

Lumbermens Mutual Casualty: Deductible

plan.

Lumbermens Mutual: Independent forms and rating schedule for lumberyards and woodworkers; replacement cost; broad form mercantile—about 10 per cent off liability portion.

Lumbermens Underwriting Alliance: Independent forms and rating schedule for lumber risks; commercial property policy using independent fire rating schedule.

Manitowe Mutual: 15 per cent reduced rates, including homeowners; 25 per cent off 49D and 40E in energial package.

49E in special package.

Market Mens Mutual: 15 per cent reduced fire

rates; 10 per cent off homeowners.

Marshall Mutual: 15 per cent reduced fire

rates.

Mayflower: Broadened theft on CDP.

Meridian Mutual: 15 per cent reduced fire rates except farm; 10 per cent off on farm.

Merchants Indemnity: 15 per cent reduced

Merchants indemnity, to be fire rates.

Michigan Millers Mutual: All-risk endorsement for drive-in theater contents; deductible plan; no short-rate cancellations; insurance agents errors & omissions.

Michigan Mutual Auto: 15 per cent reduced fire rates; 10 per cent off homeowners.

Mid-Century: 11.2 per cent reduced fire rates; \$2.00 policy fee.

\$2.00 policy fee.
Midwest Mutual: 15 per cent reduced fire

mileurs Mutual: 15 per cent reduced rates, including homeowners.

Motorists Mutual: 10 per cent reduced rates, including homeowners.

Mutual Service Casualty: 20 per cent reduced

Mutual Service Casualty: 20 per cent requeen ties, except homeowners.

National Fire-Transcontinental: Multiple-percontractors form; merchants protection policy; special motel policy; replacement cost; deuctible plan.

National Grange Mutual: 15 per cent reduced ates, including homeowners.

National Mutual: 15 per cent reduced rates, except homeowners.

National Mutual: 15 per cent reduced rates, except homeowners.
National Surety: Special replacement cost.
National de Mutual: 10 per cent reduced rates, except homeowners.
New York Central Mutual: 20 per cent reduced fire rates; 15 per cent off homeowners.
Northern of New York: 10 per cent off homeowners 1-4.
Northwestern Mutual: All-risk endorsement.

owners 1-4.

Northwestern Mutual: All-risk endorsement for bailees customers including furniture and

fixtures.

Ohio Casualty: No additional charge for swimming pool or outboard motor on home-

owners.

Patrons Mutual (Adrian): 20 per cent reduced fire rates; independent farm forms and rates.

Phoenix of Hartford: Deductible plan; special motel package; special all-risk endorsement.

Pioneer Co-op: 20 per cent reduced fire rates; 15 per cent off homeowners.

Pioneer Mutual, (Lansing): 15 per cent reduced fire rates; 10 per cent off homeowners, \$20 minimum 3-year premium.

Premier: 20 per cent reduced dwelling fire rates.

Reciprocal Exchange (Missouri): Independent

forms and rates.
Reliance: Deductible; depreciation cover-

age.

Reserve: Writing substandard risks at three
times bureau rates; special occupancy clause;
special deductible clause; \$12 deductible deletion charge.

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change: Minimum rate of 70¢ on lumber risks; replacement cost coverage; profits insurance. Richland-Knox Mutual: 15 per cent reduced rates, including homeowners. St. Paul F.&M.—Mercury: deductible plan. Security: Chattel mortgage non-filing cover-

age.
Selective: 15 per cent reduced rates, except homeowners; deductible plan.
Sheboygan Falls Mutual: 15 per cent reduced

fire rates.
Shelby Mutual: 15 per cent reduced rates, including homeowners.
Southeastern Mutual: 15 per cent reduced fire

rates.

Springfield F.&M.: Deductible plan.

State Auto Mutual: 15 per cent reduced fire rates; 10 per cent off homeowners.

State Farm Fire & Casualty: Independent but equivalent dwelling forms and rates, about 15 per cent lower than bureau; about 10 per cent off homeowners; 15 per cent off commercial.

State Mutual (Fylone (Lapere): 15 per cent reduced fire rates, except homeowners.

State Mutual (Filint): 15 per cent reduced fire rates except commercial; 10 per cent off homeowners.

omeowners.
Superior: \$500 medical in homeowners.
Transit Casualty: Deductible plan; contractors builders risk; depreciation coverage; valuations of the contractors o

ued BI.

Trinity Universal: No additional charge for cutboard motor in home-Trinity Universal: No additional charge for swimming pool or outboard motor in homeowners—broadened theft option, 5-year term, \$500 medical.

United Fire: Weekly industrial fire policy.
Universal Underwriters: Independent auto dealers BI form and rates.

Utah Home: 5-year homeowners term.
Vanguard: 20 per cent reduced dwelling risks; 15 per cent off homeowners.

Warner Reciprocal Insurers: 15 per cent reduced fire rates.

Warner Reciprocal Insurers: 15 per cent reduced fire rates.
Wayne Mutual Fire: Writing substandard risks at three times bureau rates; special occupancy clause; special deductible clause; \$20 flat deductible deletion charge.
Wolverine: 15 per cent reduced fire rates; 20 per cent off for motel package; no additional charge for swimming pool or outboard motor in homeowners—broadened theft option, \$500 medical; replacement cost; no short-rate cancellations; level premium payment plan.
Wolverine Mutual Fire (Dowagiae): 15 per cent reduced fire rates.
Woodland Mutual: 20 per cent reduced fire rates, except farm.

Cincinnati Promotes Two

CINCINNATI-H. D. Davis, who been loss adjustment manager for Cincinnati Ins. since 1957, has been elected assistant vice-president. R. L. Hildbold has been promoted to assistant claims manager. He joined the company last year, after six years with Celina Mutual.

ROLLER RINKS ... EXCESS AUTOMOBILE LIABILITY ... AND GENERAL LIABILITY ...

Cites Examples Of Judicial Legislation

rule of non-liability for prenatal injuries in the case of Smith vs Brennan, were pointed out by David Green, president of Motor Club of America companies, in a talk at the annual meeting in Philadelphia of Federation of Insurance Counsel.

In New Jersey, he noted, the statute of limitations does not run against an infant. Hence, in a negligence case, an infant may commence a suit for injuries up to and including the time he becomes 23 years of age. In the case of an unborn child, the fetus actually develops around the fourth or fifth month, so that claims arising from injuries which occurred as far back as 23 years and four months can now be expected.

Mr. Green's company received five alleged claims of injuries resulting to a fetus, going back many years, and he presumes there must be hundreds more involving other companies.

When there was either no claim of injury to the mother, or the mother's claim was settled for a very small or nuisance amount, a company's file may have been destroyed. In addition, the insured may have died, witnesses may not be available and police reports and hospital records may no longer be accessible, observed Mr. Green.

Possible Developments

county fairs...

Mr. Green posed a theoretical case where the insured has not died, but cannot recall the facts concerning the alleged accident nor the subsequently claimed injuries. A substantial suit is brought-for alleged injury to the person during the fetus stage—in excess of policy limits, and the insurer does

HALLS

AMUSEMENT

DEVICES

BOWLING

ALLEYS

The serious implications of the New not settle the claim. This poses the Jersey supreme court's reversal of the question of whether the insurer can be charged with bad faith or negligence, if there is recovery substantially in excess of the policy limits, because the insurer destroyed its file or failed to its preservation.

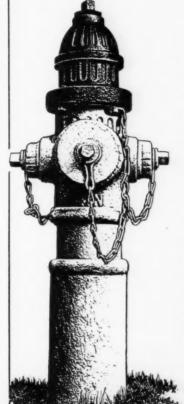
Important N. J. Case

Another important case involved parental immunity which the New Jersey supreme court recently upheld in Hastings vs Hastings, Mr. Green declared.

In that case there was a strong minority opinion to the effect that where the parent is covered by automobile liability insurance, a negligence action should be permitted against him, because it cannot in any realistic sense be said to endanger the family rela-tionship or offend any policy based on

With a change in the complexion of the New Jersey supreme court, it is easily conceivable that the present minority may well become part of the majority of the court, which could well change this and many other rules of the common law on which insurers

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The fire plug is a source of comfort to all property owners in a neighborhood. While it may rarely be used, no one can deny the value of its presence.

Of even greater importance to the wage-earner or family man is the protection offered by Disability Income Insurance. When disabled by accident or sickness, far too often he faces complete loss of income, or at the least, an inadequate paycheck. Disability Income Insurance, like the fire plug, must be ready when the emergency comes. (The possibility of disability is 40 times greater than the possibility of fire.)

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have relied in issuing their policies, Mr. Green observed.

He posed another imaginary case in which a parent is sued by his passenger child in a questionable liability case involving no other vehicle. The policy has a \$10,000 limit, and the parent insists that the company settle for \$10,-000, although there is not only a question with regard to liability, but also with regard to the injuries, because of the many hidden factors concerning the child's previous medical history. Here again the question is whether the

faith or negligence if it refuses to settle, if later there is recovery substantially in excess of policy limits.

From time to time articles appear in insurance publications on the subject of changes in the law, Mr. Green noted. New interpretations and philosophy are being created by the judiciary. A judge may charge a jury that in its deliberation on the amount to be awarded, consideration should be given to the fact that the dollar has become depreciated because of the in- out fault, Mr. Green declared, and this

insurer should be charged with bad flationary spiral. Yet, no such consideration is being given to the all-im-portant fact that the "third-class citizen"-the insurer-received this same depreciated dollar as payment for the policy.

Courts are creating new causes of action and changing basic rules as to liability, as in the case of attractive nuisance and other situations. In fact, it can truly be said that the courts of many states are charting their decisions in the direction of liability with-

attitude of the courts is reflected in the conduct of some plaintiffs' lawyers.

The problem of excess claims is becoming more and more acute as new decisions are handed down by courts. With each decision against the companies, plaintiffs' attorneys and insured are becoming more bold in their demands, he concluded.

Swearingen, Crosier Retire After Lengthy Aetna Casualty Careers

John A Swearingen, secretary of the fidelity and surety department, and C. L. Crosier, assistant secretary of the claim department, have retired from Aetna Casualty. Mr. Swearingen was with the company 39 years, and Mr. Crosier 33 years.

Mr. Swearingen was superintendent of the bond department at San Francisco for 14 years prior to being appointed secretary and transferred to the home office in 1940. He is a past president of Bureau of Contract Information and former executive committee chairman of Surety Assn. of America

Mr. Crosier joined the company in 1927 and was appointed assistant secretary six years ago.

Philadelphia Fight On Rate Rise Is Appealed

Philadelphia has carried its opposition to fire insurance rate increases to the Pennsylvania superior court.

It appealed an earlier decision of Dauphin County court at Harrisburg which upheld the rate increases approved by the insurance department. The court's decision held that Commissioner Smith made an able and exhaustive study before approving the rate revisions last year.

The rate revisions, statewide, included some regional reductions but increased rates in metropolitan areas including Philadelphia and Pittsburgh. The city's appeal contends Mr. Smith did not consider stepped-up fire prevention programs in allowing the higher rates.

Ohio Cas. Raises Dividend

Directors of Ohio Casualty have declared an increase in dividend from 14 cents to 16 cents payable Sept. 15 to stock of record Sept. 5. Ohio Casualty, Ohio and West American had net premiums in the first six months of \$41 .-954,000 which compares with \$36,627,-000 in the same period of 1959. Adjusted earnings were \$1.44 a share against \$1.40 last year.



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It may bring a burglary, robbery, holdup, accident, or lawsuit—any number of things which could ruin you, or your business. There's no sure way of protecting yourself against misfortune, but you can protect yourself against its financial effects. Insurance, providing broad coverage for both your home and business, is available through your local independent agent who represents the Maryland in your community—or your broker. He'll make sure your insurance needs are cared for. Remember: because he knows his business, it's good business for you to know him.

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Baltimore 3, Maryland

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National Bureau Sees Uniform FR Forms Plan Starting Early In '61

National Bureau's uniform financial responsibility forms program has been approved in 23 states. Before implementation of the program early next year, it is expected approval will be By Employers Mutuals given by additional states.

The bureau said the uniform forms were drafted to reflect recommendations from motor vehicle administrators and from those in the business. The bureau consolidated all the many varieties of the present FR forms. The uniform forms may be used in virtually every state with FR laws.

Administrative procedures for the use of the forms are expected to be completed early in 1961, making the forms available for use in states which have approved the program.

Would Achieve Savings

The bureau noted that adoption of the program would save thousands of dollars and provide more efficient handling and servicing of FR forms. The program has been endorsed by Mutual Bureau and National Assn. of Independent Insurers, and both these organizations are cooperating with National Bureau to perfect the administrative procedures.

Approximately 250 forms of many sizes and colors are now in use. The uniform program was the subject of a recommendation of a special committee of American Assn. of Motor Vehicle Administrators which urged administrators to consider the possibility of adopting uniform forms to obviate the necessity of separate forms for each jurisdiction. The motor vehicle administrators association had the National Bureau submit its program at various regional meetings of the asso-

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Order N. D. Blue Cross To Show Why It Shouldn't Be **Enjoined From Rate Hikes**

Commissioner Jensen of North Dakota has obtained an order against North Dakota Hospital Service Assn. (Blue Cross) to show cause why it should not be permanently enjoined from raising rates on certain contracts. A hearing on the order will be held Sept. 14.

The order called for Blue Cross to show why it should not be permanently restrained from selling new contracts, changing terms, increasing rates or modifying terminology without formal approval of the commissioner.

Two laws apply to the case, according to the attorney general's office. One gives the commissioner exclusive control of hospital service contracts and rates, and the other requires the commissioner to act on new policies and rates within 15 days from the time of filing.

Blue Cross has alleged that Com-missioner Jensen failed to deny the rate increase within the 15-day period and that the rates were automatically approved with his failure to act. Ronald A. Jydstrup, executive director of Blue Cross, said the hearing did not alter the service's plans to increase

Seattle Negroes Organizing

A Multiple Line Insurer
A group of Seattle Negroes, headed by Jerome Williams, local agent, are organizing Evergreen Ins. Co. A capitalization of \$500,000 is planned. Mr. Williams has been named board pres-

William F. Lockett and Hubert R. Dewitty. The company plans to issue fire and casualty policies concentrating on the central Seattle area.

Six Sales Managers Named

Employers Mutuals of Wausau has appointed six sales managers. They are A. B. Farrell at the home office, Robert V. Elliot at Charlotte for the Carolinas and eastern Tennessee, Le-Roy W. Ahrensdorf at Atlanta, John W. Carroll at New York, Rolind G. Earle at Dallas, and Gerald M. Powell at Philadelphia.

Mr. Farrell was formerly at Dallas, and Mr. Elliot was field sales manager at Atlanta. Mr. Ahrensdorf was previously at Philadelphia, and Mr. Powell has been field sales manager at Los Angeles. Before his appointment at New York, Mr. Carroll was at Atlanta, and Mr. Earle has been sales manager for Illinois.

P. Duggan has been appointed assist-

ident; other board members are Willant metropolitan claim manager at liam E. Derry, Leslie J. Stallworth, New York, and Karl H. Schuelke claim manager at Syracuse, succeeding Mr. Duggan. Horace F. Cronic, Atlanta claim examiner, replaces Mr. Schuelke as assistant claim manager at Atlanta.

Gold Rules On New Rating Plans, N. C. Deviations

Two filings of North Carolina Fire Insurance Rating Bureau have been approved by Commissioner Gold.

One of the bureau plans inaugurates a new rating method for fire resistive and non-combustible properties, designed to recognize new building materials and modern construction requirements. The second filing is a new plan for institutional property which reduces rates 25% for fire, 40% for extended coverage inland and 25% for EC on the seacoast, and 50% statewide for vandalism, malicious mischief and sprinkler leakage.

The commissioner approved an 8% deviation for North America from the In other new assignments, William combination motel policy recently approved for Great American.

Writing Blighted **Boston Properties**

Stock and mutual fire insurers, working with Commissioner Whitney and the Massachusetts legislative committee on insurance, have developed a plan for writing fire insurance on properties in substandard areas of Boston, notably Roxbury and the south end.

The companies have voluntarily agreed that no property in these areas will be turned down for insurance unless there has been a physical inspection on the premises. If inspection shows the property is not insurable, the owner will be advised on what improvements or repairs will bring the property up to underwriting standards. Where issued, coverage will be at standard rates.

To facilitate inspections, a central clearing house will be set up Oct. 1 in the offices of New England Fire Insurance Rating Assn., 89 Broad Street, Boston, which will supervise the inpection service.

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Smith Decries Lack Of Authority In Pa.

In a talk at the annual meeting in Philadelphia of Federation of Insurance Counsel, Commissioner Smith of Pennsylvania noted that his department has no authority over policy forms or rates of domestic mutual fire companies. The department does not even license the agents of these companies. Many ridiculous situations have

tory authority, he said.

For example, an automobile policy, issued and sold by one of these companies, contained language to the effect that the company was not liable to the insured in the event that, in the course of the accident or injury resulting therefrom, a violation of the motor vehicle code or of any law or ordinance had occurred. In other words a person exceeding the speed limit or even going the wrong way on a one-

result of the absence of such regula- an automobile accident would have no coverage whatsoever.

> A domestic mutual fire company recently sold coverage to a marine, and the fine print of the policy stated that the coverage was limited solely to a claim arising as a result of an accident on the military base. The rate charged was utterly ridiculous, Mr. Smith declared, but under the present laws there is nothing that he can do.

He noted that legislation was prepared and introduced to correct these

O'Donoghue Opens Own Reinsurer Firm own reinsurance brokerage offices at

> New York City, to transact an international reinsurance business through other offics in London, Paris and Lisbon. Mr. O'Donoghue was formerly executive vice-president of Herbert Clough

Inc Robert J. Giesen.

410 Park Avenue,

D. L. O'Donoghue formerly in the reinsurance department of Security Mutual Casualty, is associated with Mr. O'Donoghue in New York.

Derek L. O'Donoghue has opened his

Buy-Back Deductible Withdrawn From Iowa

Iowa Assn. of Insurance Agents won its argument with Farm Underwriters Assn. and the buy-back deductible per building on farm EC has been eliminated.

Approximately 100 farm writing agents were represented by a commit-tee at a conference with FUA and Western Actuarial Bureau to protest the additional charge of \$14 for full coverage EC which went into effect July 25.

The new filing of Iowa Inspection Bureau restores the coverage to what existed prior to July 25 except that reduced EC rate applicable to the \$50 deductible was left at 44 cents instead of 54 cents.

W. Va. Department Seeks Scalp Of National Auto

Commissioner Pearson of West Virginia has moved to liquidate National Automobile, a West Virginia auto specialty insurer. A show cause order has been issued which set the matter for hearing Sept. 30 in Kanawha county circuit court.

The commissioner's petition alleges that a recent examination of the records found the company to be insolvent. The examination, it was alleged, showed the company had made illegal investments and had violated other provisions of the insurance law.

Colo. AR Plan Reports

The report of operations of Colorado Automobile Assigned Risk Plan for the period July 1, 1959-June 30, 1960, has been mailed to members by Manager R. G. Shurtleff.

In the 12 months there were 9,806 new applications received and 9.403 renewals, a total of 19,209. The plan issued 15,067 policies, and files were closed in 4,114 applications by reason of being rejected by the plan, by the insurer, or policy not taken by applicant or application was dropped.

There were 67 appeals to the governing committee, which sustained 20 rejections and overruled 21 and issued medical certificates in 10. Sixteen cases were otherwise disposed of.

The largest writers of automobile liability in Colorado are State Farm Mutual, Farmers Exchange, U.S.F.&G., Allstate and Truck Exchange.

Atlantic Mutual has elected J. Wilson Newman, chairman of Dun & Bradstreet, a trustee. Mr. Newman was also elected a director of Cen-



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Scores Special Bias In Favor Of "Blues"

C. T. Hellmuth, a consultant in employe benefit plans, group insurance and pension programs in Washington, D. C., writes:

I have read with interest and real concern the Columbia University study of Blue Cross-Blue Shield.

Although no one representing insurance companies was included on any of the committees, the compilers of the report have chosen to make the recommendation that "mass purchasers of health insurance should examine their existing coverage to ascertain whether . . . they have coverage which can be retained for life at a community-wide rate applicable for their subscriber class." This gratui-tous and unfair recommendation is but another step in the direction of fully socialized medicine.

Concern is shown for over-utilization and abuses while, on the other hand, there is a demand for the elimination of experience rating. Experience rating is uniquely appropriate in a free society as it provides an incentive for employers and employes alike to control over-utilization and abuses.

Further, the report failed to establish how, other than by the fervor of its advocates, Blue Cross differs from any other mutual insurance operation. Since there is no real difference, it is my strong feeling that Blue Cross in every state should be subject to insurance department regulation and the appropriate premium taxes. Finally, the discounts which they

obtain from the hospitals at the expense of (1) other paying patients, (2) the tax-paying public, and (3) the contributors to charitable drives should be eliminated.

Vought And Pellettier Promoted By NYFIRO

New York Fire Insurance Rating Organization has appointed Robert E. Vought assistant manager of the New York City division. Robert A. Pellettier has been named district secretary at

Albany to succeed Mr. Vought.

Mr. Vought joined the organization at Albany where he was concerned with rating and stamping op-erations. He was transferred to New York in 1956 and became superintendent of rating before he was returned to Albany in 1958 as district secretary.

Mr. Pellettier entered the business with Eastern Inspection Bureau which consolidated its functions with NYFI-RO in 1951. He has been superintendent of the special risks department at Albany since 1954.

Elect Enos President Of La. Mutual Agents

John W. Enos Jr. of Harvey was elected president of Louisiana Assn. of Mutual Insurance Agents at its annual convention in Baton Rouge. He succeeds Floyd S. Meaux, Lafayette. J. W. Womack, Monroe, and M. T.

Frazier, Lake Charles, were elected vice-presidents, and Charles H. Farrier, Baton Rouge, secretary-treasurer. Glenn N. Walker Jr., Shreveport, Oliver L. Braud, New Iberia, and Mr. Farrier were elected directors.

The emblem of National Assn. of Mutual Insurance Agents for use during the November advertising campaign of mutual agents was approved, and a resolution was adopted to continue using the national emblem as well as the Louisiana association's emblem in advertising thereafter.

It was recommended that Louisiana 1752 Club be urged to stage more sales clinics for agents to emphasize selling techniques rather than coverages. Mr Meaux received the president's plaque for service during his tenure. Robert T. Casanova, Grain Dealers Mutual, was presented with a plaque as special agent of the year. He is president of Louisiana 1752 Club. R. C. Carr, Lake Charles, was named mutual agent of the year. The 1752 club made a special award to Mrs. Anna Mae Blackham, executive secretary of the agents' association, for her services to the club.

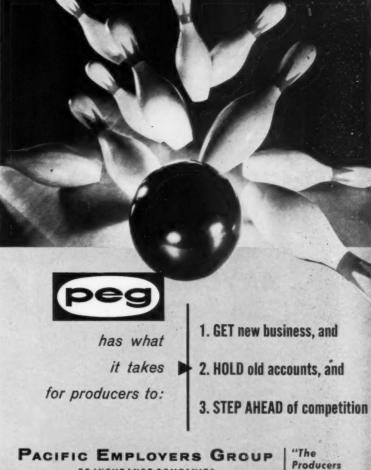
Approve Schools For Md. Agents' Qualification

The Maryland department has approved 17 schools which offer courses of study for applicants for agents' li-censes. Commissioner Sears indicated that further courses will receive approval shortly.

Approved courses for agents qualification were called for under a law which became effective Sept. 1. The legislation was sponsored by Maryland Assn. of Insurance Agents and Tri-State Mutual Insurance Agents Assn. and had the backing of the department. The educational prerequisite is waived only in the case of an experienced insurance employe and then only when an affidavit from his employer accompanies the application. In all cases applicants are required to pass the examination.

Reliance Has Del. Office

Reliance has opened a service office at Wilmington, Del., and appointed James G. Mæloney state agent and James B. Thompson staff adjuster



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Schowalter Advanced **Bv Hartford Fire**

Hartford Fire has named Oscar W. Schowalter executive special agent at St. Louis. He was with Missouri Inspection Bureau for 12 years prior to joining New York Underwriters in 1942 as special agent. He was named state agent in 1946 and manager at St. Louis in 1953.

Financial Indemnity has appointed Donald Hewitt regional sales manager for the San Fernando Valley.

Cravey Gives Half Of Rate Increase Asked

Commissioner Cravey of Georgia has approved a 3.1% increase in fire rates on dwellings, apartment houses, mercantile buildings and similar structures. The filing by Georgia Inspection & Rating Bureau sought a 7.1% increase. The increase would amount to about \$600,000 annually statewide. to about \$600,000 annually statewide.

The commissioner rejected a proposed 20% increase on farm property. He approved rate reductions in comprehensive were approved Jan. 1,

15 classifications including motels, churches, school buildings and fire MaltmanExec.V-POf resistive risks.

N. C. Deviation Correction

In the Aug. 26 issue it was erroneously reported that the 10% deviation on auto liability and 15% on PHD, excluding collision, recently granted in North Carolina to American National were the first such deviations allowed for a stock agency company in the state. Safeco deviations of 15% on auto liability and PHD and 12% on

Munich Re Managers

James P. Maltman has been named

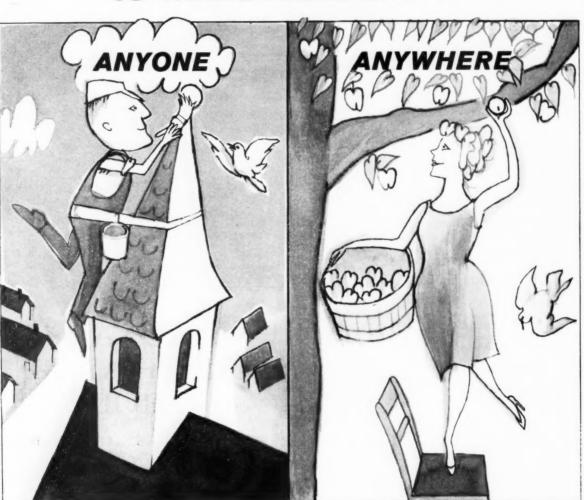
executive vicepresident of Munich Management Corp., managers of the U.S. Branch of Munich Re

Mr. Maltman began his insurance career in 1946 with American Mutual Re. He was elected assistant secretary of that company in 1948 and was advanced in 1950 to



secretary, his most recent position.

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Travelers Promotes Reed And Gehris

Travelers has named Edgar S. Reed second vice-president in the personnel department and Joseph L. Gehris assistant comptroller.

Mr. Reed joined the company in 1937 in the printing department, of which he became superintendent in 1949. He was appointed assistant secretary of the services department in 1952, and in 1957 was transferred to the personnel department as assistant secretary. He was appointed secretary in 1958.

Mr. Gehris, with the company since 1934, began in the administration department in Philadelphia. He was later in the general accounting department at the home office, and subsequently became assistant office manager at Philadelphia. In 1948, he was named supervisor in the methods and planning department at the home office, and in 1957 he was advanced to superintendent of the expense allocation unit of the methods and planning department.

Pa. WC Rates Reduced

Commissioner Smith has approved a revision in workmen's compensation rates proposed by Pennsylvania Compensation Rating Bureau. The new rates will apply to all WC policies, excluding coal mine, which became effective on and after Sept. 1. They are 2.6% lower than those previously in effect and will result in premium reductions of approximately \$1,625,000 to employers.

Rates for 149 classifications are reduced, 25 remain the same, and 15 are increased. The average reduction in premium for classifications in the manufacturing and utilities groups will be 4.7%, for contracting and quarrying group 1.4%, and for other industries 2%. Rates for federal industry group are increased 11.6%.

The decrease in rates was due to the introduction into the ratemaking procedure of a loss constant program and an accompanying reduction in the large risk factors. The loss constant program is designed to provide a more even balance of loss ratios between the large risks (those with premium of \$500 and over, excluding self-rated risks) and small risks (those with premium under \$500, including minimum premium risks). In approving the loss constant program, Mr. Smith directed the rating bureau to undertake additional studies and tests to make certain that the smaller risks are not charged higher expense constants than their experience demonstrates to be necessary and justified, and to furnish him with the results of such studies and tests when completed for his further consideration.

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Of Public Relations Involves More Than Putting Best Face Forward

Business Week in its July 2 issue published a survey and discussion in depth of public relations today. Although the entire article is excellent, one paragraph in particular illuminates the hazy subject of PR.

This paragraph sums up the best available definition of their specialty by expert PR practitioners. Their composite definition is that corporate public relations means keeping management informed of changes in the opinions of its various publics-stockholders, employes, customers, suppliers and government. It also means counseling management as to the impact its action or lack of action will have on the opinions of these publics. The definition concludes by pointing out that once a corporate decision has been taken, PR's job is to communicate this information in the best and most favorable manner to the company's pub-

Business Week notes that this delineation of the PR function implies a wide ranging activity, but nevertheless management in most areas of business has accepted the need for and has endorsed the practice of PR in these terms. This is probably a revelation to many if not most insurers.

Insurers Short of Goal

Indeed, the composite definition of PR may be a surprise to some insurers. They seem to regard PR solely as a process of telling their publics something favorable-flatly or by implication-about themselves and the business in general. But this, according to the best available opinion, is only the last step in the process. The first step is really listening to the various publics through the ears of PR experts in order to keep informed on viewpoints that matter. The intermediate step is taking counsel with PR men in arriving at solutions to problems and in deciding whether to act or not. All three steps are necessary at all times if a sound PR program is to be achieved. Insurers seem to fall far short of the goal because they rarely if ever observe all the necessary phases of a sound campaign.

For example, agents today are complaining that they are not consulted; in other words "companies don't listen to them." The fact is that many in-surers do listen to agents. Through their field and branch organizations, which are partially public relations units, they keep a constant finger on the producer's pulse. His views are taken into consideration when management makes a decision. But many managements fall down on the job of telling agents that their opinions have been considered. They fail to point out that the traditional field setup is the best possible consultation system.

Other Side Of Coin

The result is that a company that is really listening to its agents does not get credit for doing so because it fails to communicate its practices. The important point here is not whether insurers are listening or not, but whether agents realize that they are. The agents' confidence—won by sound listening practices and an explanation thereof—is the determinant of good PR in this area.

Conversely, there may be too much communications in other important

This is sometimes true with respect to employes-another important public. Employes are deluged with PR material from the day they sign on. They receive a "welcome" booklet, and as time goes by, house organs, bulletins, letters from the president and other material. Much of this may deal with questions that most employes have never asked and never will ask. This printed media often overlooks the basic fact that mass communications may not be the way to influence the individual attitudes that comprise over-all opinion. There are vast differences in the background, education, interests, information and motivations of employes. Directing broadsides at all employes results in the "canned" type of jolly happy family articles and messages in house organs and other media which move employes either to laughter or to skepticism about the motives of management.

ployes is loyalty based on confidence. What employes want is a management be earned through management performance, plus explanation of that performance in separate messages each

class of employe can understand.

The best way for management to listen to employes is to bend an ear to the views of veterans in the ranks. Their views and attitude in general will exactly reflect the long standing company practices and performance. Moreover, the sooner insurers realize that the attitudes of new employes are shaped principally by their veteran fellows, and not by top, middle or su-pervisory management, the closer they will come to reality.

Once employe confidence exists, states Keith Powlison of Armstrong Cork Co. in the Harvard Business Review, all management explanations can be relatively simple and brief. It

What a management wants from em- agement, they will be satisfied that all is well.

Some insurers equate listening to that justifies confidence. That has to agents and to employes (or to anybody else) with relinquishing management prerogatives. Any competent PR man could tell them that the two actions, far from being synonymous, are really cause and effect. No management can act intelligently unless it investigates and weighs the opinions of all who are going to be active in carrying out an action, and then measures the probable impact on all concerned. This procedure really amounts to nothing more than taking advantage of all the brain power that can be applied to a situation and measuring team spirit
—an element often underestimated by some managements

Some PR Men Restricted

Some insurers engage PR men, maintain departments under them, but limit their functions. Management ofwill not matter much then that there ten takes the attitude that, after all, are many employes who will never these PR executives are not "really in really be able to understand financial the business." That is, or should be, statements and will never really have one of the main reasons why they were any interest in their details. As long hired. Their viewpoints come closer as they have confidence in the man- to those of the various publics that



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management which is generally comprised of technicians who have grown up in the insurance business and have a tendency to mistake intra-mural discussions for actual PR accomplish-

Confidence In Specialist

When a company hires a PR manwatchfulness on the shifting opinions

must be influenced than to those of to his counsel on the effect on these opinions of present or contemplated action. The PR man should never dictate corporate decisions, but his views should be given special consideration precisely because he is not "in the business." That is what makes them invaluable.

Finally, insurers should authorize the PR man and no other person to assuming that he is competent-it communicate the news and meaning would be well advised to charge him of management decisions. In this rewith the maintenance of constant gard, insurers are noted for getting everybody into the act. Top manage-

him, reserving only the right to make sure that his messages conform to company policy.

Well meaning but inept editors among management should relinquish their blue pencils and allow the man technically educated and practiced in communicating ideas to do his job, just as they allow other technicians in accounting, electronics, claims, underwriting and other areas to do theirs. of all its publics. It should also listen ment should be involved up to the point If a company does not have a PR spe-

of decision making. Assuming that it cialist in whom it has confidence, it has the right PR man, it should then should remedy the lack. Immeasurturn over the communications job to able time and talent is wasted when top men in other areas of management ploye, struggle over releases and other forms morning of communication. Almost invariably sack their end products have to be com- was er pletely rewritten by newspaper or of bre magazine editors receiving them.

ning h The ideal of a three step PR program probably will not be attained in posing a hurry in the insurance business. Un- X, the til it is, insurers won't meet the pre- efits. scription of good PR written by those Canno in every field of business who know most about the subject.

See Higher Fee Needed pensat For N. J. UJF Solvency

An official of the New Jersey division of motor vehicles has indicated out of that the legislature will be asked to cidenta increase substantially the \$15 maximum annual fee for uninsured drivers, be gau The additional charge is essential, he asserted, if the UJF is to remain solvent. The \$15 fee was exacted from drivers for the first time in 1960.

When the fund became operative import in 1954, insured drivers were charged \$1 and uninsured drivers \$3. Subsequently the uninsured bore the entire cost, and fees rose to \$8, to \$10 and finally to \$15.

In 1956, the first full year of opera-tion, 2,097 persons filed claims against the fund, and \$154,662 was paid out. The figures for 1959 were 6,589 and \$1,551,551, respectively, and in the first The seven months of 1960 they were 4,100 of se and \$1,130,173. It is estimated that the latter figures will rise to 7,000 and empl \$2 million at the end of this year.

Eno Is Promoted

Robert E. Eno, former special agent of Hartford Fire at Manchester, N.H. has been transferred to the eastern department staff at Hartford. He joined Hartford Fire in 1952 and in 1953 was named a special agent in metropolitan New York. He has served as special agent at Manchester since 1954. Before joining the company, he was with New England Fire Insurance Rating Assn. in Hartford. He is president of Mountain Field Club.

Sales Contest Launched

Hawkeye-Security and United Security have launched a three month sales contest ending Nov. 30. Prize points will be awarded for all lines of insurance produced.

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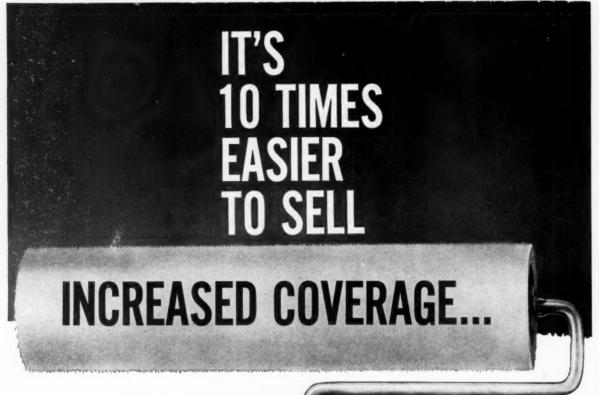
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Many Variables In WC Cardiac Cases

(CONTINUED FROM PAGE 6) ploye, X, who, in the course of his morning's work, lifted a 100 pound ably sack of flour at the mill where he was employed. Weakness and shortness of of breath followed the lifting, as did some chest discomfort. Late that evening he died of a cardiac involvement, ed in posing the question of whether Mrs. Un. X, the widow, is entitled to WC benpre- efits.

those Cannot Be Gauged

At first glance, it might be assumed that the rights of Mrs. X would turn simply on the provisions of the compensation statute in the state where the incident happened. The question is whether the statute is framed to cover all "personal injuries" arising cated out of employment, or whether an "aced to cidental injury" is required. However, naxi- the outcome of a cardiac claim cannot vers, be gauged accurately by such a simple d, he common denominator as the wording sol- of the compensation statute. Alfrom though the language will be of some importance, the construction given to

the relevant sections by the courts of the state will be of much greater significance, Mr. McNiece said.

The approach of the courts varies greatly from state to state, although it is possible to put states with similar approaches into general categories. In general there are two basic judicial approaches to this question: The "usual strain" rule, and its opposite, the "unusual strain" rule. The usual strain rule will support a compensation award even though the cardiac incident followed performance of the employe's regular duties, while the unusual strain rule will require something over and above those normal duties.

An interesting point is that both rules are doctrines which the courts themselves have worked out, and have no special relation to the wording of the particular compensation statute. compensation acts of Tennessee and Missouri, for instance, are both phrased in terms of an injury by accident being compensable. However, construing its statute, Missouri has ruled that "unusual" strain is necessary, whereas Tennessee, interpreting the similar wording of its law, has held that "usual" strain will suffice, provided, of course, that a causal connection between the strain and the cardiac incident is established.

The courts of various states not only differ in their views as to whether usual or unusual strain is the criterion to be applied, but also in the meanings they give to these terms. The result is that, even if state A and state B have identical compensation statutes, and even if the courts of both have embraced the unusual strain rule, the decisions actually arrived at in each state may be quite different.

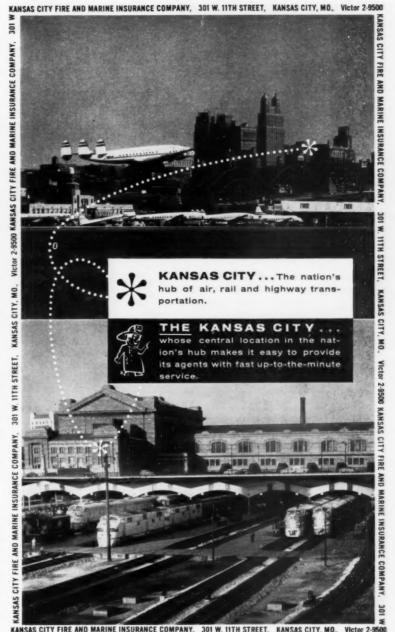
Interpretations Differ

State A may feel that any strain over and above that required in sedentary tasks qualifies as unusual, whereas state B may regard nothing short of a Herculean effort or calamity as unusual. Thus, in a New York case, the exertion of climbing the subway stairs while carrying a brief case was held to be unusual strain, while in North Carolina much heavier exertion was held to be usual and insufficient. In the North Carolina case, a fire chief pulled 700 feet of heavy hose out of a fire truck, ran through a building up to the attic, and assisted other firemen in pulling a hose through a window. A heart attack occurring immediately thereafter was held to be non-compensable, the strain being regarded as usual.

Still other sub-categories can be found within the unusual strain rule, Mr. McNiece said. In some states the rule is applied on an occupational or trade basis. That is, some jurisdictions look to what is unusual for mill workers or truck drivers as a class, whereas others focus on the question of whether the strain was unusual for the particular mill worker or the particular truck driver in question. Penn-sylvania would be illustrative of the jurisdictions leaning towards the occupational approach, while Maryland is typical of the states emphasizing the individual claimant's status.

Role Of Physicians

In some states, the medical aspects of the widow's claim will be submitted to an impartial physician appointed by the WC commission, or even to a panel of impartial physicians. In many other states the employment of such neutral physicians is not authorized, or, if the authority to employ them exists, they





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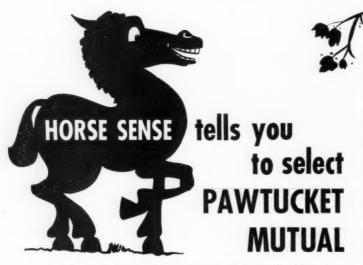
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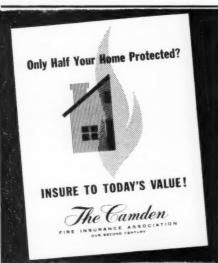
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are not used as a matter of practice. Particularly if there is a sharp conflict in the testimony of the medical witnesses produced by Mrs. X and those produced by the insurer-and there usually is such a conflict—the decision in the case may well turn on the report or the testimony of the impartial physician or panel in a state where such an impartial system exists. On the other hand, in jurisdictions not utilizing such a system, the WC commission will have to decide the case by choosing between the conflicting testimony of the medical experts.

The claim of Mrs. X may also be affected by the use of standardized medical criteria applicable to cardiac cases, such as fixed time limitations for the appearance of symptoms. While the use of standardized medical criteria is relatively new and experimental, Mrs. X would be confronted with such criteria in Utah and Washington.

Other Considerations

Another medical consideration is the over-all policy of the jurisdiction with respect to autopsies in WC cases, Mr. McNiece said. While it might be supposed that a claimant would find it more difficult to succeed in a case where an autopsy report is presented against him, this is not necessarily so The view which a state takes as to the significance of death certificates may materially affect the outcome of a cardiac case. The same is true as to the attitude of the state on testimony given by a coroner or medical examiner. Many states flatly exclude such reports as inadmissible hearsay, others admit the reports as evidence, and in still others, such an official often appears as a medical witness.

Certain jurisdictions seem to have a predisposition to give greater weight to the testimony of a certain class of physician, such as the cardiac specialist or the physician who actually treated

In addition to the differences in judicial attitudes in passing on the facts, there is a divergence in view in approaching the law in cardiac cases. In some jurisdictions, the legal questions are treated simply and summarily and seem virtually to merge into the over-all factual question of whether the work caused the cardiac involve-

Further Job Ahead

In many states, however, the opinions are replete with discussions of legalistic issues of a highly technical nature, such as whether the WC commission correctly construed the basic

Mo. Premiums Increased \$66 Million In 1959

JEFFERSON CITY—Total insurance premiums collected in Missouri in 1959 were \$688,420,912, an increase of \$66,566,748 over those in 1958, according to the annual report of Superintend Leggett.

There were 6,401,868 life policies owned in Missouri representing an aggregate face value of \$13,308,610,589 and a premium income to insurers of \$362,511,653. Life insurance payments to Missouri policyholders and beneficiaries amounted to \$163,236,861.

As of April 1, 1960, Missouri had 131 domestic companies of all classes and 695 foreign and alien companies licensed in the state, a total of 826.

During the year March 1, 1959-Feb.

29, 1960, the Missouri department issued approximately 36,500 agent li-censes for representatives of fire com-panies, 38,000 for life companies, 2,200 for reciprocals and 25,000 for casualty, a grand total of 101,700. There are approximately 6,725 brokers' licenses in force.

The Missouri department assessed a premium tax in 1959 of \$13,156,673, up % over 1958.

Passaic County Agents Hear Weisbart, Ryan

Passaic County (N. J.) Assn. of Insurance Agents held its annual convention at Paterson. Speakers included two officers of the New Jersey association, President Ira F. Weisbart, Jersey City, and Chairman James L. Ryan, Paterson. Herman W. Hannsler, chief of the license division of New Jersey department, also spoke.

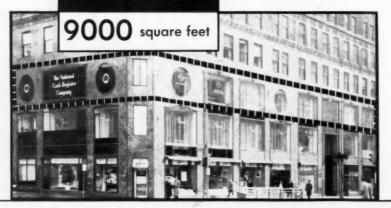
usual strain" rule or the "usual strain" rule, whether an accidental cause is required or only an accidental result and so on. In jurisdictions which have exalted the significance of such inquiries, the courts are concerned with questions of statutory interpretation in almost every decision.

There has been too much generalizing about heart cases and too little examination into the specific factors which combine to produce the decisions in such cases, Mr. McNiece declared. Listing the variables and seeing how they operate in each state is only the beginning, he said. The job which lies ahead in his research study is to try to come up with some useful suggestions and recommendations for dealing with these variables in the interest of improving the decision-makliability section of the WC statute, ing process in a manner which will whether it correctly applied the "un- be just to all parties concerned.

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Trial Trends Discussed By Robert Miller

(CONTINUED FROM PAGE 2)

airplane "whether such owner was bus operations. negligent or not."

Broad interpretation of social legislation such as workmen's compensa-tion, originally intended to protect workers against the relevant dangers of a hazardous industry, is seen in the familiar horseplay cases. A recent example was the holding by a New York court that a compensable injury was sustained by a messenger boy when, in his "youth and restlessness," he used a rubber band to flip paper clips out the window and one backfired and hit him in the eye.

Herald Tribune Comments

On this opinion New York Herald Tribune commented: "So we contin-ue to hope, rather hopelessly, we confess, that the climate of the courts and boards (and we would include juries in negligence cases) may change sufficiently to recognize again that it is not good for a society to free an individual too completely from the consequences of his own stupidity; that such terms as 'contributory negligence' and 'reasonable care and judgment' should not be wholly forgotten."

In many instances courts are being asked to review prior rules and de-part from precedent. The Illinois su-preme court in 1898 established the rule that a school district was immune from tort liability. A subsequent statute, however, authorized school dis-

\$2,500 NAMIC Grant For Study Of Farm Mutuals

A grant of \$2,500 has been given to Purdue University's agricultural ex-periment station by National Assn. of Mutual Insurance Companies for a study of management practices of farm mutual insurance companies.

The grant, the second by NAMIC, will partially finance a research project on how size affects the operating efficiency of farm mutual companies. The project will consist of detailed factual case studies of a limited num-ber of companies of varying sizes in an effort to determine the optimum size of a farm mutual company.

After the data has been gathered alternative courses of action for small companies will be analyzed. Some of the findings of the previous NAMIC-Purdue study on the use of property insurance by the farmers will be used in making analyses.

Well Known Incorporators will To Form Coronet In N. Y.

Notice of intention to form Coronet Ins. Co. at 363 East 149th Street, Bronx, N. Y., has been filed. Among the proposed incorporators are George B. DeLuca, former lieutenant governor of the state; Robert J. Malang, former New York deputy superintendent, and Victor Campione, administrative assistant to the comptroller of New York City.

The company is capitalized at \$700,-000 and will write BI, PDL, auto and aircraft coverages.

Fred. S. James Names Bronson

Philip Bronson of Seattle has be-come a member of the firm of Fred. S. James Co. of Chicago. He has been in charge of the Seattle office and has been serving as vice-president there since 1944. He will continue in that capacity.

Mr. Bronson's son, Duncan, has re-cently joined the Seattle office of Fred. S. James Co.

tricts to insure their liability for school

After a school bus left the road, hit culvert and burned, all injured pupils except one relied upon the statute and sought recovery to the extent of the insurance, which was \$20,000 each person and \$100,000 each occurrence. The other plaintiff sued the school district for \$56,000, challenged the validity of the immunity rule and requested its abolition. The court rejected the immunity doctrine but said nothing about the retrospective aspects of its overruling decision. After rehearing, the court, with two judges dissenting, adhered to the original decision and held "that, except as to the plaintiff in the instant case, the rule herein established shall apply only to cases arising out of future occur-rences."

Cites Illinois Act

(After the original decision and before the rehearing, Mr. Miller pointed out, the Illinois legislature passed an act which imposed a short statute of limitations on civil actions in tort against school districts, laid down a notice of claim requirement and imposed a \$10,000 limitation on the amount of recovery.)

In an increasing number of cases, Mr. Miller commented, claim is made of improper conduct of the trial judge during trial. Cases are being reversed on appeal because of the bickering and acrimony of counsel which prevented an orderly trial. Are these the product of misguided enthusiasm, the result of baitsmanship, or simply a sign of the times? he asked. Perhaps disciplinary action is indicated, at least in cases of repeated improper conduct.

Recent decisions continue to emphasize the proof required for a prima facie case, he said. In malpractice cases, for example, those situations which require expert medical testimony must be carefully distinguished from those which do not.

Easy To Get To Jury

The ease of getting to a jury was highlighted by a comparatively recent federal employer's liability act case. A woman walked from a station platform into the path of a train traveling 10 to 15 m.p.h. The suicide's body was picked up 68 feet back of the front of the locomotive, the braking distance being 80 feet.

A grill car waitress, thrown against a service counter by the emergency stop, sued. She gave evidence of pain in shoulders and neck, became hys-terical, and was immediately hos-pitalized. But no serious physical injury was ever found. She has since suffered from paranoid psychosis, evidenced by a belief she was responsible for the suicide's death and would have to stand

return to work.

She won a jury verdict, and the trial judge denied motions for judgment notwithstanding the verdict and for a new trial, though he opined that "there was no evidence whatsoever of negligence on the part of the engineer."
He also found the jury's conclusion that plaintiff's mental condition was the result of this incident was "pre-posterous." The verdict for plaintiff

trial for murder. She was unable to summation where permanent injuries and pain and suffering are involved, use of blackboards to illustrate money estimates for damages, pre-trial mo-tions on whiplash injuries, jury in-struction on non-taxibility of money for personal injuries, and exploitation of ad damnum demands.

Admitting Liability

The advantages of admitting legal liability and limiting the issues strictly was affirmed on appeal. to damages were pointed up in two Mr. Miller touched on such trial recent cases. In a wrongful death actechniques as the split trial, per diem tion involving a child, such an admis-

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sion was the basis for excluding evidence as to the manner in which the child met her death. In a personal injury case, the admission of liability provided the reason for excluding photographs of the offending car offered to show the force and effect of the act which produced plaintiff's injury.

In both these cases, Mr. Miller said, evidence was excluded which might otherwise have prompted a higher verdict.

Interesting Possibilities

A memorandum opinion by a New York court poses interesting possibilities, Mr. Miller said. Plaintiff recovered a judgment in an action against an attorney for malpractice. Defendant appealed. During the cross examination of plaintiff's present attorney, who testified as a witness in plaintiff's behalf, defendant endeavored to show that the witness-attorney's compensation was contingent upon a recovery. That proof was held inadmissible by the trial court as relating to a privileged communication.

Terms Not Privileged

In reversing the judgment, the appeal court said that in its opinion "the terms of the retainer, as to the attorney's compensation, were not privileged, and the evidence tending to show the interest of the witness should have been allowed."

Assume, Mr. Miller said, that plaintiff's attorney, in a personal injury action, becomes an "unsworn witness" by urging "the jury to adopt his personal appraisal of elements of unliquidated damages which are not susceptible to monetary proof." Could it be validly argued that by so doing plaintiff's attorney has made relevant his financial interest in the case as evidenced by the retainer contract? And even if the contingency fee could be established, would it be tactically wise to give the jury this informa-

A number of recent cases in the appellate courts would indicate a re-

luctance to object, even to the point of failing properly to preserve the trial record for an appeal. Thus hearsay evidence, admitted without objection, was considered a sufficient basis for a jury finding on one of the essential elements of plaintiff's case. While medical opinion based on unproved assumption of facts is subject to timely objection, in a recent case opinion evidence of two physicians, predicated upon subjective evidence and bearing on the permanency of plaintiff's injury, was admitted without objection and was considered by the jury. In another case unsworn testimony was admitted without objection in a civil trial, as as secondary evidence.

It is not unusual, Mr. Miller said, to find appellate courts pointing out that objection alone, without an accompanying ruling by the trial court, is insufficient to save the question for an appeal. Some attorneys seemingly overlook the need for making an offer of proof where objections of their adversary to needed testimony have been sustained. Some who have attempted an offer of proof find it excluded for any of a number of reasons

The greater number of plaintiff verdicts are not excessive, Mr. Miller believes. However, those appealed on this ground show the reluctance of appeal courts to resort to remittitur or to order a new trial. Judge Musmanno, writing for Pennsylvania supreme court in a personal injury case where the claim of excessiveness was supported by awards for like injuries in the past,

remarked:

Dollar Fractures Too

"But even if the leg fracture in the Mansfield case were to be equated with the gravity of the leg fracture in the case at hand, it must be noted that 15 years have passed since the Mansfield verdict. In that time the American dollar has suffered so many fractures of the femur and tibia that, according to physicians in finance, it can limp along at only 52% of the speed it displayed in 1942. Every item that can be imagined costs more today than it did when the Mansfield decision was rendered. Among those items are legs, and the person who negligently breaks one belonging to another must pay the increased price just as he must pay the augmentation noted on every price tag found in every mart where money is legal tender.

Statements such as this, Mr. Miller said, point to the need for maximum effort by defense counsel at the trial level.

What lies ahead in the near future? Certainly, he said, recognition by Michigan of a wife's cause of action for loss of consortium will provoke more litigation and cause insurers to review their release practices. New Jersey's recognition, without a dram shop act, that the negligent sale of liquor to a minor, causing his intoxication, could be found the legal cause of a resulting auto accident, will serve as precedent for similar extensions of the common law liability of the liquor vendor.

The assault on privity will continue in both negligence and warranty actions. The unexplained swerving or loss of control of an auto, resulting in harm to passenger, pedestrian or occupant of an approaching car will provoke much discussion but little agreement as to applicability of res ipsa loquitur.

Also, he said, the attractive nuisance doctrine, particularly where water hazards are involved, will get varied interpretations. Immunity (whether interspousal, charitable or governmental) will be closely scrutinized.

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New England is a saga of patriots relying on the printed word on the one hand, and the flintlock rifle on the other, to defend the principles in which they believed. This same sense of dedication to the principles of the American Agency System today guides the Peerless Insurance Company in providing modern multiple-line coverages in the Bond, Fire, Accident & Health, and Casualty fields.

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Deductibles Improve Experience Of European Automobile Insurers

(These comments on automobile deductibles in Europe were written by George H. Menefee, head of George H. Menefee & Associates, insurance consulting firm of Baton Rouge, La., who recently returned from a trip abroad where he discussed the subject with insurance companies there.)

How best to get mileage out of the automobile premium dollar has been the subject of intensive study by a great many companies. Nowhere does the difference in conclusions become as apparent as in the treatment of the deductible feature. Although the compulsory insurance law in some countries has a drastic effect on the ability of the underwriters to apply deductible provisions, the law has, in at least one case, been used to provide a built-in deductible into the policy. Talks with underwriters in European countries proves that the use of the deductible can have some substantial benefits.

In 1954 nearly all insurance companies in the Netherlands agreed to insert a provision in the policy making compulsory a deductible of D.Fl. 50 (\$13) without premium reduction. The deductible was to apply to third party bodily injury and property damage. The result, in the words of one insurance official: "The measure, in combination with our no-claim bonus scale running up to 30%, has had a very salutory effect on motor car business results. With my own company, for instance, claims' frequency has been reduced since 1954 by more than 50%."

Expect Compulsory

The Netherlands are expecting to institute a compulsory insurance law which will provide for a direct action of third parties against the companies. It is expected that the new law, when enacted, will allow insurers to impose a D.Fl. 50 deductible on property damage on a franchise basis. Thus all claims in excess of this amount will have to be paid in full.

Most insurance companies in Denmark have a provision in their policies permitting the insertion of a deductible provision for BI or PDL. The amount of deductible normally applied

is D. Kr. 200 (\$33), but in rare cases can run to D.Kr. 1,000. Whatever amount of deductible is provided for BI and PDL is also applied to physical damage. Only about 5% of the Danish automobile policies are so written.

When the compulsory insurance law was changed in Denmark in 1959, the insurance requirements were raised considerably. A proposal was made for a compulsory deductible, but it did not go through, and the companies report they are as well satisfied it did not. The feeling was that the small size of the deductible would not seriously change driving habits and repair bills would soon be padded to the point where the insured did not, in the end, pay the deductible himself. Danish companies have preferred to encourage safe driving through a noclaim bonus running up to 40%.

Situation In Norway

Norwegian insurance companies are required by law to pay the total loss to the claimant and, in keeping with this provision, there is usually no deductible in the policies covering private passenger cars. Deductibles are, however, applied in amounts varying from Kr. 50 (\$7) to Kr. 500 on public livery and emergency vehicles and to dealers automobiles. One unusual feature is that private passenger cars used for travel in European countries outside Scandinavia carry a mandatory deductible of Kr. 400 (\$56). For physical damage, there is a normal compulsory deductible of Kr. 100 (\$14) on private passenger cars, but higher deductibles are available at reduced premiums. Where the policy contains a deductible on both liability and physical damage only one deductible is charged (the highest) in the event of an accident involving both coverages.

Norwegian authorities have proposed a new motor vehicle act which will soon be up for discussion in their parliament. It is considered strongly possible that a compulsory deductible will be included in the law, but the size of the deductible has not yet been fixed.

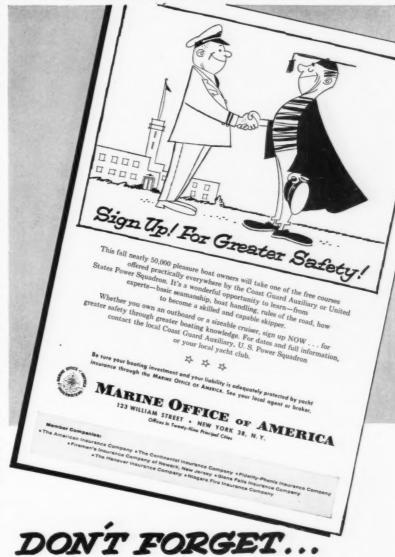
Like the countries mentioned above,

Sweden has compulsory third party insurance. Because of provisions in the law, there is no deductible provision on BI and PDL for private passenger cars. Hired cars and motorcycles, however, have a compulsory third party deductible of Sw.Kr. 100 (\$10) and Sw.Kr. 50 respectively. As one underwriter of a Swedish company pointed out, the no-claim bonus plan actually provides a substantial deductible in itself. Under the plan, the assured can receive a rate credit of 70% after seven years with no claims. In the event of a loss, he is reduced

Sweden has compulsory third party two classes with a reduction of 20% insurance. Because of provisions in credit in his rate. This penalty has the the law, there is no deductible provision on BI and PDL for private pasing paid by the assured.

Use Deductibles

On physical damage to private passenger cars, Swedish companies have provision for deductibles on an optional basis, ranging from Sw.Kr. 300 (\$60) to Sw.Kr. 1,000, with appropriate reduction in premium. During the period when a driver is in the lowest class for a no-claim bonus, there is a mandatory deductible of Sw.Kr. 200.



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Policyholder Relations Are Described

(CONTINUED FROM PAGE 8)

agents or directly with the company. This program also resulted in some excellent advertising for the company.

Mutual Life Of N. Y.

Activities at Mutual of New York have shown how concrete changes in a company's efficiency and stature can be made by the introduction of market minded thinking. A few years ago the company started a drive to answer promptly and fully all complaints from policyholders within three working days. In addition, these complaints were studied and classified with the idea in mind of cutting out sources of irritation, misunderstanding, and bad will.

When complaints piled up in a certain category, the statistical study, under the direction of Carl Cefola, dirrector of public relations, would show up the difficulty—and remedies would be found. Mr. Cefola makes regular reports to the president about the status of these letters. Not always are the complaints reasonable. But even the unreasonable ones can spotlight areas of tension and dissatisfaction. When this program was started, as many as 900 complaining letters a month were processed and responded to. In recent months, complaints have averaged about 35 per month.

Special emphasis has been placed not only on polite letter-writing, but on the speed of the reply. Three business days are allowed by the company as the proper limit for replying. In May of this year, 95% of the letters sent out by the company met this requirement. The results of this program are also tabulated, and when letters have been answered after a delay of 10 days or more, an explanatory letter to president must also be written by the responsible employe.

The company has a policy of getting out market surveys regularly to

see how well it is doing and what it should do better. About every month the company gets out a service audit, designed to see if customers are satisfied with various services. Recently Mutual's tax information sent to annuity clients was altered when it was discovered that this information was not reaching policyholders in time to help them with their tax figuring.

When it came out that the payment on policy surrenders was not punctual and that policyholders were annoyed by the lack of company interest, new procedures were set up to give better service.

Premium notice advertising was another source of annoyance and sometimes confusion. As a result, it was eliminated.

Of a more general nature is the policyholder survey that is issued once every five years. This survey is always the same, designed so that a long-term comparison can be made of client's attitudes. As a result of this program, not only are policyholders' wishes made known, but it has resulted in making the entire company public relations conscious.

Thus, after Mutual of New York

Thus, after Mutual of New York asks itself whether a new policy line or procedure is in the interest of the policyholder, another question is asked—will the policyholder react to this or that change in a favorable way?

Mutual sends out a complete annual statement to all of its policyholders without asking them to send in for them. There is also a policyholder magazine, MONY Topics, which goes out to every customer of the company with premium notices. The magazine discusses a range of topics interesting to the general public. It has a small article on a newsworthy policyholder, hints on accident prevention, news of new Mutual coverages.

In addition to the magazine and the annual report, the company gets out to policyholders statements of company policy toward national developments, such as the Forand bill.

The nature of policyholder relations makes the subject so much a part of what any good company does that several respondents to The National Underwriter questionnaire on the subject rebelled at the idea of treating the efforts of their companies in the customer relations field as a separate category or a separate program.

The advertising manager of a cas-

ualty company writes:
"Paradoxically, it seems to me, we

Barr Named In New Field Underwriting Post By Glens Falls

Glens Falls has advanced Wilfred C. Barr, assistant manager of the Ohio department, to home office superintendent of field underwriting, a newly created position.

He will be under the supervision of R. P. Crawford, vice-president. Mr. Barr will have general supervision of field underwriting in all sections of the country except the territory of the Pacific Coast department.

He will provide liaison and communication between home office and branch office underwriting departments. His activities will include review of branch office underwriting and procedure, supervision of advanced training of underwriters in the field, and the correlation of underwriting philosophy and practice between the home office and field offices. He joined Glens Falls in 1947.



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have a number of highly formal policyholder relations 'programs,' and we have none. We are, at once, in the actual business of maintaining good policyholder relations and yet, have no one person (that I know of) in charge of it. I take that back. We have such a man and we call him 'president.' He, in turn, has many men reporting to him, variously called vice-presidents, managers, underwriters, salesmen, typists, etc., whose job descriptions in-cludes or imply that they are in charge of policyholder relations. In other words, I guess what I am trying to say is that we may have many people—hundreds in fact—who think they are charge of policyholder relations-and isn't that a happy circum-

Actually Is Company's Job

"It is a fact, I believe, that 'policy-holder relations' is actually our job as a company; it is what we are in business for. Each policyholder service department—sales, claims, accident prevention, etc.—has an elaborate 'program' of maintaining good policy-holder relations. Each technical department, each staff department has such a 'program,' whether formalized in job descriptions or not. The entire

What your clients don't know can hurt you

Suppose a client of yours had a fire today. If his insurance proved inadequate, could you expect much future business from him?

Suppose another client is carrying more insurance than he actually needs. Some other agent could show him how to save on premiums, which certainly wouldn't help your cause.

When your client doesn't have proper coverage, you stand to lose some business. What's the answer? An appraisal pre-

pared specifically for insurance purposes.

When you recommend The American Appraisal Company, your clients will gain the benefit of our 63-year leadership in the field. Appraisals are thorough and detailed, based on facts that will stand investigation.

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organizational structure of a company like ours—and, I am inclined to believe, all other companies still in business—is designed for the express purpose of maintaining good policyholder relations.

"In my job, I have something to do with public relations, and, of all our various publics, I consider our policy-holder to be the most important. Therefore, our policyholder literature—annual reports, financial statements, policy or invoice enclosures-everything, in fact, up to and including our national advertising, is designed and written with the maintenance and improvement of policyholder relations

Aetna Casualty Opens New Office At Spokane

Aetna Casualty has opened a new office at Spokane and appointed Thomas M. Barber manager. The office will have a staff of about 20 and will supervise business in eastern Washington and northern Idaho.

Supervision of the territory was formerly divided between two general agencies-Anthony, Baker & Burns of Spokane, and Rossi Insurance & Investment of Wallace, Idaho. Both will continue to represent Aetna Casualty in their areas.

Mr. Barber joined Aetna Casualty in 1948 as special agent at Seattle for the fire division. He has been fire state agent at Seattle for the past five years. He is a past president of Washington Fire Underwriters Assn.

Chubb Extends Facilities At New Orleans Office

The New Orleans office of Chubb & Son will handle all lines of the company in Louisiana and Mississippi. Heretofore, the office under J. Kenneth Sadler, manager, was confined to marine business on the Gulf Coast. W. J. Creedon Jr., recently transferred from Dallas, will supervise the additional lines at New Orleans.

Wyoming AR Plan Reports

Wyoming Automobile Assigned Risk Plan in the 12 months ending June 30, 1960, received 1,367 new applications and 1,771 renewals, a total of 3.138, according to the report of R. G.

Shurtleff, manager.

The plan issued 2,396 policies, of which 1,243 were on new assignments and 1,153 on renewals. Twenty-four applications were rejected by the plan for cause, 46 by the companies, 616 policies were not taken by applicant and 54 applications were dropped. Only two applications were pending at the end of the period.

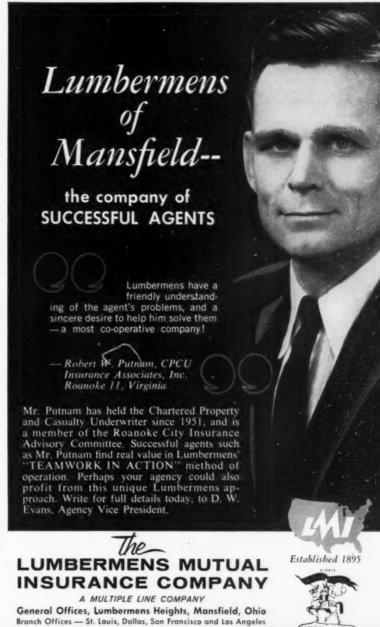
Of 13 appeals, one rejection was sustained, four were overruled, two received medical certificates and six

were otherwise disposed of.

The leading auto liability writers in
Wyoming are State Farm Mutual Auto, Wyoming Farm Bureau Mutual, Hawkeye-Security, Farmers Exchange and Truck Exchange.

Examine III. Insurer
An Illinois department examination of Licensed Beverage Ins. Co. (a reciprocal) of Springfield, for the period Jan. 1, 1957-Dec. 31, 1959, shows a net surplus at the latter date of —\$82,587 and a gross surplus of \$77,417.

This company was organized in 1953 as a specialty writer in dram shop insurance. The 1959 results showed a loss of \$22,765 on underwriting and a net income after investments of -\$9,



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Uniform Radiation Act Advocated

first case involving damage from the escape of radiation from the use of atomic energy has yet to reach the courts. When it does, it is not difficult to predict that there is no court which will refuse to apply to it the principle of strict liability.

There can be no question that strict liability affords the greatest protection to a comparatively helpless public. It it has created

is peculiarly suited to the present stage legal authority has stated that the of nuclear development where scientific knowledge of nuclear phenomena may not be sufficiently comprehensive to enable precautionary measures and devices to be designed that will be completely effective in all cases. Strict liability is particularly appropriate where the law has limited the amount of industry's liability, especially if the industry can insure against the risk

cluded that uniformity of legislation is desirable in respect to activities which create the possibility of injuries occurring in more than one state. The committee believes it particularly unjustifiable that persons in one state recover under one set of liability rules while persons injured by the same accident in another state might be unable to recover. Mr. Pierce considered the possibility of a major reactor catastrophe in Michigan with a radioactive cloud irradiating people and contaminating property in both Michigan and Ohio. Under typical conflict of law concepts, the law of the place where the injury occurs governs in

> tort cases. Reasons For Uniformity

According to the restatement of conflict of laws, the place of wrong is in the state where the last event necessary to make an actor liable for an alleged tort takes place. Therefore, in this hypothetical situation, it is possible that Michigan and Ohio would apply different rules so that some persons would be able to recover while other persons similarly injured would not. Because of this possibility the committee concluded that uniformity is desirable.

The special committee has con-

Because the possibility of interstate injuries is especially potential in the case of major reactor installations and other installations where a critical accident may occur or where large quantities of fission products may be stored, the proposed uniform act imposes strict liability concepts only in respect to these installations. Incidentally, these installations are also, in general, the same installations for which the atomic energy act requires financial protection. Interstate injuries may occur either where a radioactive cloud drifts across state lines or where radioactive materials are discharged into inter-state streams, Mr. Pierce said.

The committee deliberated a length the problem of the basic rule of liability to be applied. However, in determining that strict liability or liability without fault should be applied, the committee was largely influenced by the fact that there appears to be general agreement that most states would impose strict liability under current tort law doctrines. The committee was also aware that radiation victims even under strict liability doctrines may be faced with an almost insuperable burden of proof in showing that a specific cancer, for example, was caused by the exposure. The committee also has recommended that strict liability be applied even where the accident results from a so-called act of God, the only exception under the proposed act being when the accident is caused by an act of war.

Other Committee Action

As stated in the Atomic Industrial Forum and Harvard Law School report. Mr. Pierce noted, the problem is one of deciding on whom the burden of loss caused by fortuitous circumstances should fall. The public can persuasively argue that, insofar as any precautions and protective measures can be taken, those in charge of an atomic facility are in a position to take them, whereas potential victims have little ability to protect themselves. Moreover, the burden of insuring against these hazards can justly be imposed on those who have brought the risk into

The committee was also concerned with the question of liability of state, educational, and charitable institutions. However, the group believed it inappropriate to change existing rules of immunity in legislation of this type. Nevertheless, the committee believes

Conover Is President Of Pittsburgh Agents

William S. Conover was elected president of Pittsburgh Assn. of Insurance Agents at the annual meeting. He succeeds Charles H. McClure. Lee P. Stimmler was named first vicepresident and moved into line for the top spot. Robert Reynolds of Wallace M. Reid agency was elected second vice-president.

New directors are George H. Rice, Robert W. Schmidt, and William H. Simms.

Officers were installed by Paul J. Trimbur, past president of the Pennsylvania association. Marshall W. Davis, executive secretary of the state unit, attended the meeting and gave a short talk on the aims of his group.

An interesting floor discussion followed the luncheon address on developments in marketing by John N. Cosgrove, associate editor of The Na-TIONAL UNDERWRITER. He described the components of over-all marketing programs and indicated that each feature is designed to induce agents to place the majority or all of their personal lines business with one company. The Pittsburgh agents indicated in their discussion following his talk that they were opposed to this result. They pointed out that although companies may have ambitions to tie the agent to one insurer, they are defeating that by super-selective underwriting, thus forcing producers to use several markets. This contradictory practice by insurers will defeat their efforts to force agents to deal exclusively with organization, the agents maintained.

that each state should re-explore its doctrines of governmental and eleemosynary immunity in light of the substantial hazards created by nuclear reactors and the availability of federal indemnity.

Another problem, Mr. Pierce continued, is posed by the statutes of limitations when applied to radiation injuries. Because of the delayed impact of the effects of radiation overexposure, the typical three-year period of limitations is not adequate. Therefore, the proposed act includes a new limitations period of three years after manifestation of the injury, or 10 years after the date of the last occur-ence to which the injury is attributed, whichever first occurs. Similar periods of limitation have been adopted or proposed for adoption in the European nations which have also considered nuclear liability problems.

Future Plans

The committee makes no recommendations for change in the rules of liability governing less hazardous uses of radioactive materials. The committee remains concerned with such hypothetical fact situations as radiation injuries caused by the escape of radioactive materials from the premises of the owner when caused by the negligence or even criminal acts of third parties.

The committee intends to continue its investigation of the problems in-volved as well as of those connected with causation in fact, and may make further recommendations for uniform legislation in the future. The present proposal, however, will handle the more substantial immediate needs, and the committee believes that the proposal will provide the public with the protection to which it is entitled duing the initial phases of reactor development in the U.S., Mr. Pierce concluded.



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Homeowners Offers Selectivity Twists

one area where they have a working arrangement. A number of claims under homeowners have been made because of the older folks slipping and falling on stairs porches and on kitchen mats. Some have brought suit against their relatives.

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A young mother with her baby in a stroller paused to let some youngsters admire the child. A playful little girl pushed the stroller against the mother's leg, and the axle in front of the foot rest severed the mother's Achille's tendon.

In another area of coverage, mysterious disappearance of money continues to plague underwriters. One lady formed the habit of putting money for the milkman in the wooden box for deliveries. She reported \$8 missing on one occasion, and \$15 on another. The underwriter noted that \$23 won't break his company, but it's a good slice out of a premium under \$200. Moreover it's cheaper to pay the \$23 than to start an investigation. Underwriters are continually baffled by other mysterious disappearance incidents on which there appears to be no possible way of checking the facts.

Under other homeowners coverage, money losses of from \$100 to \$300 are cropping up under the C form and its equivalent, and also under this form a number of claims have arisen where vandals have looted equipment and other valuables from larger boats.

Under a modest homeowners A. a company recently had an unanticipated loss. An elderly lady kept jewelry and furs in a home vault. It was looted its while she was out for a spin with her maid, and the company was stuck for the \$6,000 under the theft coverage of \$1,000 for any one item.

Time Consuming Details

The question of handling homeowners and the detail in connection theretion with opens up some further interesting areas. Some underwriters can't see how the form has relieved their handling chores. They point out that the package is often subject to numerous endorsements, involving physical work in attaching and subsequent handling. In this view they were enthusiastically 10 joined by a New Jersey jurist who sat in a case which turned on a home-owners clause. In this decision, the judge after inspecting a policy with numerous endorsements termed the policy "a triumph of mucilage over mind." He further observed that the policy phraseology represented a real achievement in using the English language to obscure rather than to reveal meaning and intent. The latter es of beervation, of course, would not necssarily distinguish homeowners from hy- other coverages.

One underwriter raises the interestof ing point that homeowners promotes pre- more time consuming detail because by sustomers actually read the policy. In ts of the past, they would usually toss a ire policy into a drawer or safe de-josit box. But homeowners has been o attractively and extensively adin-ected tertised and it has such novel features that many policyholders are as interform sted in it as in a best seller.

Unless they are especially gifted, hey come away from the reading with and light and light are relayed to gents, and in turn to companies.
Inderwriters are used to answering the dustions following a loss, but with omeowners they also have had this thore right after delivery of the policy.

are avid readers of the homeowners form. With the numerous changes of the past few years, this readership could have comprised an occupation in itself. After battling through a maze of alphabetical and numerical homeowners forms, agents emerge with many questions on various clauses in the multiplicity of contracts. They will have still more to puzzle over as more companies come out with their own homeowners programs with distinctive titles and individual characteristics.

Companies developing homeowners business through unqualified agents are particularly harassed by queries from customers via agents as well a by disgruntlement on the part of both after uncovered losses. It was formerly thought that anyone with two thumbs could write a homeowners policy: One thumb grips the manual, while the other runs down the colums to locate the premium. But it now appears that the owner of the thumbs should have some mental qualifications as well. just as a company 705 needs brains to direct it.

Homeowners is being used as a lead line by exclusive agent companies, and it has also become one of the most important competitive tools in the struggle between standard companies and their former bedfellows. Like any leader, homeowners, therefore, must stand for having a lot of flaws noted and criticized. Some of these flaws are quite serious, insofar as the program represents a giveaway to those insured who are wrapped in the package, while others outside the package are charged more for precisely the same coverage. Other criticism of homeowners is far less serious, and if insurers make money on the program they can smile indulgently while leaning against a low loss ratio column. But they had better be sure that somebody doesn't shift the column while they're not looking.

Boston Appoints Smythe In New Recovery Unit

Boston has appointed John P. Smythe superintendent of the recovery department, a newly formed unit of the loss and claim department. He will be responsible for the group's salvage and subrogation efforts on a multiple line

Risser Succeeds Frank In Tenn. For Aetna Fire

George Frank, Aetna Fire state agent for middle Tennessee, has retired. He will be succeeded by Robert Risser, who has been casualty manager for middle Tennessee. Special Agent William Bynum will assist Mr. Risser.

Mr. Frank joined Aetna Fire in 1923 as special agent in Kentucky. He became state agent for Tennessee in 1935.

Record \$60 Million Bond On Chesapeake Bay Project

Federal, Fidelity & Deposit and Aetna Casualty have written a \$60 million performance bond on the construc-tion of a bridge-tunnel vehicular crossing of lower Chesapeake Bay from Norfolk, Va., to the Delmarva Peninsula on the eastern shore of Virginia. It is said to be the largest performance bond ever written.

The bond was executed on behalf of nore right after delivery of the policy. a joint venture involving Tidewater There are reports that even agents Construction Corp., Merritt-Chapman

& Scott Corp., Raymond International Inc., and Peter Kiewit Sons Co. and covers their contract which amounts to \$116,535,462.

The project, to be finished in three years, will include a 171/2 mile bridgetunnel shore to shore crossing and about five miles of approach roads. The crossing will consist principally of a low level trestle, two tunnels, two bridges and an earth-fill cause-

Argentine Hull Loss Is \$1.8 Million

The Argentinean DC-6 airliner which exploded over Uruguay was insured in the London market. The hull was valued at \$1,861,000. The Argentine government-owned Aerolineas Argentinas plane was on a flight from Ascuncion, Paraguay to Buenos Aires.

Roberts In Indiana Field

Zurich has appointed Robert C. Roberts sales representative at Chicago for Indiana. For four years he was in the Louisiana field for Aetna

Glass Rates Revised By National Bureau In 10 States, D. C.

National Bureau revised glass rates in 10 states and District of Columbia, effective Sept. 14. The revisions re-

sult in an increase of slightly less than 2% countrywide.
Rates were increased in Arizona 11.5%; District of Columbia 6.5%; Massachusetts 14.1%; New Jersey 11.9%; Oregon 11.4%; Pennsylvania 9.3%; Tennessee 7.1%; and West Virginia 8.5%. ginia 8.5%.

Rates were reduced in Alaska 9.7%; Arkansas 8.3%; and Oklahoma 9.9%.

Assign Bentz In Illinois

National Fire has assigned Richard T. Bentz to Springfield as special agent for central and southern Illinois. He has been in the Nebraska field.

Robert F. Provost, executive director Minnesota Insurance Information Center, explained the background and functions of the center at a luncheon of Insurance Club of Minneapolis.



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Buffalo Prepares Field Men's Seminar

Buffalo will hold a three-day field seminar at Buffalo, starting Sept. 25. The meeting, to be attended by 25 field men, is under the general direction of Victor T. Ehre, president.

The seminar will emphasize discussion of current conditions in the business. Courses will cover new developments in coverage, inspections and appraisals, forms and rating procedures in fire, casualty, inland marine, and all multiple peril contracts.

There will be a special session on the technique of inspecting by camera, and a planned marketing survey. The production management discussion will deal with the technique of appointments and developagency

Osborn In Audit Post

Hartford Fire group has appointed William C. Osborn resident auditor in the New York department. He joined the company in the auditing department three years ago.

Reinsurer Unit To Pa.

Stuyvesant has moved its reinsurance department from Chicago to the executive offices in Allentown, Pa., to effect closer liaison with other divi-

sions and to provide better service.

Andrew J. Helmick, managing agent of the reinsurance department since its inception in 1957, will continue in that capacity, and other key members of the staff also will move to Allentown. They include Harold R. Weingarten, reinsurance assistant; James H. Von Gunten, reinsurance reinsurance assistant; claims manager, and William O. Bub-. ser, reinsurance underwriter.

Buyer Sees Lack Of Fire Deductibles Costing U.S. Insurers Casualty Lines

Whereas companies show initiative and imagination in offering broad policies with automatic provisions in casualty and bond lines, there is a sad lack of intelligence and initiative with respect to fire lines, Paul G. Stickler, manager of the insurance and real estate department of Reynolds Metals, told a meeting of Virginia Casualty & Surety Assn. in Richmond.

A deductible is badly needed in fire policies, he said. Factory Insurance Assn. will not offer a fire deductible though the Factory Mutuals do, and fire deductibles have been approved in Virginia and Texas. Buyers find no difficulties in having their needs met in Lloyd's of London. But the domestic stock insurers are not facing up to their competition, Mr. Stickler charged. Stock insurers are being criticized by buyers and though much of the criticism may not be justified nevertheless large concerns are going to the Factory Mutuals because they offer deducti-bles. Stock companies will lose their casualty business because buyers are

disgusted, Mr. Stickler asserted. Mr. Stickler said that Reynolds Metals carries more than \$1 billion fire insurance in domestic companies, 50% with Factory Mutuals, and \$200 million of U&O. Foreign coverages of the company are carried with Lloyd's.

Indianapolis Casualty Men Hear Talk On Compact Car

Repair procedures on unitized body construction of compact cars were discussed at the opening fall meeting of Indianapolis Casualty Underwriters Assn. Speakers were G. S. Barquist, vice-president and claims manager Motors Ins. Corp., and J. G. Sergeant of the Fisher Body Division of General Motors. A film showing the effect of accidents on compact cars was presented.

Cincinnati Board Plans TV Ads

Cincinnati Underwriters Association has completed arrangements for a new television advertising series. Lawrence R. King, secretary, reported that the Cincinnati Board would sponsor a sports newscast following a series of professional football games from Sept. 25 through Dec. 18. NAIA is preparing one 60-second commercial for each program. Opening and closing announcements are being prepared by the Cincinnati group.

Wisconsin Buyers To Meet

Wisconsin chapter of American Society of Insurance Management will open its meeting season with a dinner Sept. 29 at Milwaukee. J. W. West. Liberty Mutual, will speak on "Plant Safety and Education.'

Miller Replaces Beebe As Oil Assn. President

Harry W. Miller, general U. S. attorney Commercial Union-North British group, has been appointed president of Oil Insurance Assn. He fills the unexpired term of the late Philip Beebe, Hartford Fire. Mr. Miller has been on the OIA executive committee since 1955 and was elected vicepresident last year.

Tenn. Schools Attract Agents

More than 650 Tennessee agents and their secretaries attended a series of six schools on the writing and rating of policies. The schools, sponsored by Insurors of Tennessee, were held in Memphis, Jackson, Nashville, Chattanooga, Knoxville and Johnson City.

Ore. Mutual Names Two

Robert P. Hancock has been promoted by Oregon Mutual to special agent in Washington and he is succeeded as office and underwriting manager in Seattle by Karl W. Cunningham.

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General Of Seattle Promotes Parker And T. S. Collett

General of Seattle has appointed Robert J. Parker, currently Canadian division manager at Vancouver, manager of the eastern division with of-





R. J. Parker

T. S. Collett

fices at River Edge, N. J. Thomas S. Collett, manager of the Winnipeg service office, will replace Mr. Parker.

The promotions have been occasioned by the ill health of Raymond Beech, eastern division since 1958, who has been placed on leave of absence. The two appointments are on a permanent basis.

Mr. Parker has been with General for 22 years. After working as casualty underwriting office manager, aviation underwriter and claims adjuster, he was named sales manager of the Northwest division and manager of the Seattle service office. Last year he was appointed Canadian division manager.

Mr. Collett joined the company in 1946. He has served in fire underwriting, as a claims adjuster and sales representative prior to becoming service office manager.

Slate Clinics For Mutual Agents In Pennsylvania

A series of education clinics for mutual agents is being sponsored by Sparks Club, mutual field men's organization of Pennsylvania. The program will cover automation; care, custody and control; current fire changes, loss adjustments and selling. Clinics will be held at Baltimore, Sept. 19 and in Pennsylvania at Hershey. Sept. 20; Williamsport, Sept. 21; Allentown, Sept. 22; Meadville, Sept. 26; Irwin, Sept. 27; and Bedford, Sept. 28.

GAB Changes In South

General Adjustment Bureau has advanced R. G. Nelson, manager at Farmville, Va., to manager at Rocky Mount, N. C. He succeeds R. B. Hinnant, resigned. Carl D. Wagner, senior adjuster at Rockingham, N. C., succeeds Mr. Nelson at Farmville.

GAB has established a branch at Wilson, N. C., and has advanced George M. Davis from resident adjuster to manager there. Another branch has been established at Tullahoma, Tenn., where Bennie M. Harris has been advanced from adjuster-in-charge to manager.

W. S. Robinson, senior adjuster at Fort Lauderdale, has been promoted to manager at Fort Myers, succeeding F. T. Reidenbach, who has been named regional casualty manager at Columbia. S. C.

LaSalle Plans Stock Dividend

Directors of LaSalle Casualty of Chicago have voted a stock dividend of one share for each four shares held by stockholders of record Aug. 1. As a result, capital has been increased from \$400,000 to \$500,000.

PRIMARY COVERAGES IN ILLINOIS

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Mont. Agents Hear Paul Jones

(CONTINUED FROM PAGE 2)

of "our type of agent" in an expanding American economy

He said he feels many agents have been slow to acknowledge the worth of automation. While not in favor of continuous policies he wondered: "Am I talking about just my type of operation, or am I talking about the business as a whole?"

He raised the question of what is the primary object of the local agency

business. "Is it to sell and service insurance, making a profit thereby, or is it to build up a capital value which the agent's heirs could sell or inherit after he's gone?" he asked.

He noted that many of the younger element in the business were much more impressed with their ability to sell insurance than they were con-cerned about the actual worth of the expirations. If he sold his business, Mr. Jones pointed out, an optimistic

price might amount to 200% of the annual average commission, which is merely an increase of 10% yearly on business done over a 20-year span. An agent who can sell 10% more sound business with normal prospects for renewal would quickly stop worrying about how to enhance his expiration values for a much later date, he con-

His own agency does not use any of the so-called innovations, choosing to "write" for old line companies using old line methods, and . . . making an old line profit, both for our companies and for ourselves." Nevertheless, he explained, his two young partners are not too impressed with past practices, but are more impressed with how the business might best be done.

Mutual Of Omaha Has Subway Accident Cover

An accident policy for subway riders being offered in Grand Central station at New York by Mutual Benefit H.&. A \$10,000 policy may be purchased for 50 cents a week to protect policyholders at home, on the job or traveling. Coverage also provides for medical expenses in excess of \$250.

Additional Booths Possible

In addition to subway riders, the policy also applies to commuters by ferry, bus, taxi, limousine, airplane and railroad. If the insurance is successful in Grand Central station, the company plans to set up additional booths elsewhere.

Schloen At Columbus For American Surety

Henry H. Schloen has been appointed manager of American Surety at Columbus, O. He succeeds M. L. Jenks, resigned.

the payroll audit division at the home office in 1941. He was transferred to Louisville in 1942 as payroll auditor and subsequently was transferred to prevention work, underwriting and production. He was transferred to Columbus as assistant manager in

Bureau Auto Plan In Del.

National Bureau and National Automobile Underwriters Assn. will introduce in Delaware Oct. 1 their special auto policy and safe driver plan.

Dean Colbridge, special agent in Idaho for American, has joined the Boise Loan & Realty Company as manager of the insurance department.

Hits BI Claim Interest Charges

(CONTINUED FROM PAGE 12) are the villains responsible for delays. "The massive backlog of cases pending in Cook County and Illinois is built out of a mere fraction of the claims settled from day to day without ever having recourse to the courts," he said.

"From 90 to 94% of all bodily injury claims never reach the courts in any form. They are settled quickly, fairly and amicably to the satisfaction of all parties

"Of the less than 10% of claims which result in suits being filed, only a bare fraction are tried to verdict. And in Cook County, more than half of those tried to verdict in the last term resulted in complete "not guilty" verdicts exculpating the defendant and his insurance companies.

'Of the mere 6 to 10% of claims on which suit is filed, almost one-third goes to the courts with no prior approach whatsoever to an insurance company for an amicable settlement without the costs of litigation.

Mr. Carns said that if the court system had had in the past 10 or 15 years as many innovations in its procedures as the insurance business it would be quite probable that the present crush of backlogged cases would not exist.

"That's why we are surprised and at times shocked at efforts by some to make the insurance industry a 'whipping' for congestion and delays which have developed," he said.

"As corporate citizens of Illinoisand we believe good citizens—our casualty companies will be happy to cooperate in soundly conceived plans to relieve court congestion which do not compromise the basic insurance company obligation to preserve proper-Mr. Schloen joined the company in ly the funds entrusted to us for the payroll audit division at the home protection of the insured public."

Other Measures Favored

Mr. Carns said insurance companies welcome new court efforts to keep abreast of the flood of new litigationthe extension of the court day, reduction of the summer recess from two months to a single month, consolidation of appeals assignments, adoption of uniform standards for advancing personal injury cases on the court calendar, provision of additional court room space, and creation of additional judgeships in areas of congestion.

"These are sound measures, recognizing the new pressures of our motorized age and refusing to attempt to solve our problems by some form of untried legal gimmick," said Mr. Carns.

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LLOYD'S LONDON The Tenants Policy . . . a Package Policy with coverage on personal effects for fire, extended coverage and burglary, and includes additional living expense, personal liability, and medical payments. It's "tailor-made" for good selling to apartment dwellers.

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TIRB Holds Annual Meeting At Seattle

Members of Transportation Insurance Rating Bureau in their annual meeting elected the following companies to comprise the executive com-mittee during the coming year: American Manufacturers Mutual; Central Mutual; Federated Mutual Implement & Hardware; Grain Dealers Mutual; Hardware Dealers Mutual Fire; Indi-ana Lumbermens Mutual; Liberty Mutaul Fire; Nationwide Mutual Fire; Worcester Mutual Fire.

Reports of technical and filing actions of TIRB on behalf of its companies were given by M. L. French for the aircraft underwriters committee, R. J. Elliott for the inland marine underwriters committee and R. J. Quick for the multiple lines underwriters committee. E. N. Harriman, vice-president Liberty Mutual Fire and chairman of the executive committee of TIRB, announced that the bureau has a total of 275 members and subscribers for which filings are made. TIRB is the filing agent for inland marine coverages for these companies in all of the states plus the District of Columbia and Puerto Rico. The complete homeowners filing is made by TIRB in 39 states. Reports indicated that the companies had a record year and premiums increased substantially in all clases for which the bureau makes rate filings.

Skutt Sees Debates Sparking Health Sales

Health insurance will be sold as never before because of public interest created by political debates, V. J. Skutt, president of Mutual Benefit H.&A., predicted during his visit to the company's agency at St. Paul. People are becoming more and more conscious of the need of health insurance and "have the desire to provide for them-

Mr. Skutt said production figures indicate that 85% of Americans over 65 will be covered by private health insurance by 1965 compared with 70% now. It is unfortunate, he said, that the political issue over health care should be attuned to the 5 or 10% said to be needy. He opined that the health bill recently passed by Congress is fair enough.

Mr. Skutt remarked also that all indications point to a very good business climate in 1961, especially in insurance.

Chicago Adjusters Meet **Under New Officers**

Adjusters Assn. of Chicago held its first fall meeting under the new of-ficer slate elected during the summer. New officers are Ralph Haigh of Kueter, Haigh & Gardner, president; Jack Galloway, F. L. Erion & Co., vice-president; T. L. Nelson Jr., Western Adjustment, secretary, and David Sims,

Mont. Line Is Placed

HELENA—All buildings and contents owned by the state of Montana, with values totalling \$98,129,900, have been insured retroactive to July 1 in two policies-90% in stock companies 10% in the mutuals-through

Montana Assn. of Insurance Agents Seidelmann Bureau and Montana Assn. of Mutual Agents.

Home is writing the master policy of \$77,186,160 for the stock companies' The insurable property of the state has been increased \$23 million since the state property fire and EC insurance was purchased three years ago. All licensed fire agents in Montana share in the commission whether members or not of either the stock or mutual agents' associations.

NAIA Program Details

Are Outlined In Full
(CONTINUED FROM PAGE 1)
erman, Pennsylvania; George E. Jennings, Missouri; R. Henry Jones, Mississippi; John A. Templeton, Indiana, and Stetson Ward, Connecticut. Award of Connecticut association membership cup.

Tuesday, Sept. 27

8 a.m. - Educational breakfast, Carolina Room, Chalfonte, I. A. Rosenbaum Jr. of Meridian, Miss., chairman.

9:15 a.m. Sales clinic, Mr. Jones pre-Jacques Megros, insurance classification chairman, Life Magazine, narrating "The Market of the Sixties," a film. Merrett-Adams Training Institute, "Successful Selling in the Sixties," featuring James T. Adams, William T. Harris and Larry Ronson of Shreveport, La.

10 a.m.—National Board of State Directors, Vernon Room, Haddon Hall. 12—Rural and small lines agents luncheon, Rutland Room, Haddon Hall, C. D. Swett of Woodland, Cal., chairman, with Jack Schroeder of Chico, Cal., participating.

1:45 p.m.—National Board of State Directors, Vernon Room, Haddon Hall. 2:15 p.m.—Sales clinic, continued. Award of Walter H. Bennett memori-

9:30 p.m.—Presidential ball, Carolina Room, Chalfonte, Sammy Kaye's orchestra courtesy Camden Fire.

Wednesday, Sept. 28

8 a.m.—Metropolitan and large lines agents breakfast, Carolina Room, Chalfonte, Edwin P. Simon, Chicago, chairman. Paul B. Cullen, manager of the information and education depart-ment of Aetna Casualty and vice-president of Insurance Information Institute, on "The III and You."

9:30 a.m.-Advertising and public relations workshop, Casino Hall, Steel Pier, Mr. Jones presiding: Arthur C. Pier, Mr. Jones presiding: Arthur C. Dannecker Jr., advertising and PR director of Ohio Farmers, "Is Your Agency Identity Blurred?" Joe E. Vincent, Bryan, Tex., "It Can Be"; and Archie M. Slawsby, Nashua, N. H., and Dave Johnson, Pensacola, Fla. and Dave Johnson, Pensacola, Fla., Big I advertising. Town Crier and Bowen public relations awards.

10 a.m.-National Board of State Directors, Vernon Room, Haddon Hall.

2:30 p.m.—Closing general session, Steel Pier. Maurice H. Stans, director of the U.S. Bureau of the Budget, "For Security: A Solvent America." Award of California association mileage cup, Des Moines attendance cup, the Sparlin cup, and the Woodworth memorial. Resolutions, election, and installation of officers.

7:30 p.m.—Annual banquet and variety show, ballroom of the Atlantic City Auditorium.

SPECIAL AGENT

An excellent opportunity exists for capable and experienced multiple line special agent in Central Illinois. Inquire in person or by mail to: Agency Vice President, INDIANA INSURANCE COMPANY, 115 N. Pennsylvania St., Indianapolis, Indiana.

Assistant At Columbus

Ohio Inspection Bureau is adding an assistant manager to its headquarters staff at Columbus Oct. 1. P. Emil Seidelmann, superintendent of the Cincinnati office of the bureau, is filling the new position.

Mr. Seidelmann will be succeeded at Cincinnati by Herbert T. Bohlen, who has been handling rate work in the Cincinnati territory.

in fire protection engineering. He was assigned to the Cincinnati office, Ohio Inspection Bureau, becoming superintendent in 1954.

Mr. Bohlen attending Michigan State and, after three years in the army during World War II, was grad-uated in 1947 from Xavier University.

Scott In Michigan Field
Home Mutual has appointed Ron W. Scott field representative at Detroit The new assistant manager was for western Michigan. He has been graduated in 1931 from Illinois Tech. with Citizens Mutual of Howell.

WANT ADS

Rates-\$22 per inch per insertion-1 inch minimum-sold in units of half-inches. Limit-40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office-175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance. THE NATIONAL UNDERWRITER

SOMEWHERE A FIRE & CASUALTY INSURANCE

COMPANY . . . concerned about its future, will be interested in this notice. As the 50-year-old president of a small, sound, life, accident and health company in the Midwest, I want to talk with the principals of a fire and casualty company of average size and age, adequately financed, which is faced with the need for new management (for retirement or other reasons) and is desirous of growth. My objective is to form a group of companies offering all the advantages of a one-stop insurance service through one agent or agency to the individual buyer. My entire business life has been spent in insurance—as agent, general agent, and home office executive. If this notice appeals to you, write me in confidence.

J. D. Box T-68, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

MODERN NEW OFFICE

Built to your exact specifications in any one of several fast growing West Cleveland suburbs. Enjoy air conditioning, ample free parking, close proximity to restaurants and shopping center and less than 15 minutes from airport and turnpike. Modern prestige building on a well trafficked street. Please call WI 1-2345, or write: R. A. Klingler, Inc., 11891 Bellaire Rd., Cleveland 35, Ohio.

SALES REPRESENTATIVE

Aviation specialty company needs aggressive producer to service and further develop aviation lines in Mid-West United States area. Current pilot's license required. Aviation insurance and/or casualty insurance experience essential. Attractive income proposition for right man. Submit detailed resume to Box T-64, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SPECIAL AGENT

Want to join dynamic organization as Special Agent? Young, aggressive Kentucky native to base in Louisville. Min. 2 yrs. multiple line field exp. Write: W. R. Crider, Celina Insurance Group, 315 South Main St., Celina, Ohio.

FIELD TRAINEE

A leading Multiple Line Mutual Company willing to train young man for the "Field." Work out of Chicago Office, servicing agents in three countries. Send resume of qualifications and salary to Box T-62, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELD POSITION WANTED

Young man with five years experience; home office, field, and agency; wants a field position with a multiple line stock company. Will re-locate. Reply to Box T-67, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Alabama state agent for old established Multiple line group of componies. Excellent opportunity for man with required qualifications.

Send full resume as to experience, salary, age, etc. Present employer will not be contacted. Write to: Personnel, P.O. Box 116, Peck Slip Station, New York 38, N. Y.

EXPERIENCED HOME OFFICE CASUALTY UNDERWRITER

Prefer man with long haul truck and similar experience. Aviation background desirable. Excellent opportunity for right man with growing aviation specialty company. Salary open. Submit resume. Box T-57. National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SPECIAL AGENT
We need a man to cover Northern Wisconsin who has had Multiple Line experience. Large stock agency company with better than average coverage and rate facilities. Outline experience and background. Our employees know of this ad. Replies held in confidence, Box T-58, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELD REPRESENTATIVE

Large stock agency group has opening in Milwaukee territory for a man with multiple line experience. This position offers an oppor-tunity to develop a service office. Salary open. Give details in reply to Box T-59, 175 West Jackson Blvd, Chicago 4, 111.

MUTUAL AGENTS

Like to be the Agent in your City with best opportunity contacting NEWCOMERS? Also chance to profit on lost customers moving away. For enrollment particulars write: Prospect-amatic Clearing House, 422 Thompson Bidg., Tulsa 3, Oklahoma.

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Insurance manager, C.P.C.U., age 46, experienced agency sales and management. Has just sold own agency, seeks administrative or managerial connection. Thoroughly qualitied all lines, good references. Will consider company connection. Willing to relocate, will travel. Box T.-66, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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IVAN BRENDLER 1424 "K" ST., N.W. WASHINGTON 5, D.C.

Small Midwestern automobile and casualty in-surance company desires to effect a merger or purchase of small companies on a stock ex-change basis. Inquiries will be held in strict confidence. No insurance consultants involved. Let's strengthen our companies by joining forces. Box T-70. Notional Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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This Is Getting Somewhere

primary responsibility for highways use of corrective lenses. and their use and misuse, are doing something effective to keep off or get off the road those who simply are not qualified to be there-except possibly as passengers.

New York, for example, though late in the day for a state that has a giant sized, complex problem, now has under way a sound and comprehensive program. Interesting and significant effort in the area of identifying the accident causer is being done in Tennessee. Now comes Pennsylvania, another big state, with a program that looks like it had a chance of being effective in a partial area of the situation.

The Pennsylvania department of revenue has made its first report on the program inaugurated June 1 to examine medically all applicants for driving learners' permits. For the two months, June and July, 32,511 persons applied for such permits. While only

Here and there over the country 36 persons were rejected for physical there are heartening indications that a or neuropsychiatric defects, 31% of few of the states, on which rests the all applicants were found to require

Applicants rejected included a 53 year-old man for loss of both hands; a 39-year-old man blind in one eye and partly blind in the other; a 23-yearold who failed to meet the minimum vision requirement of 20/70 in at least one eye; two 16-year-olds who "lacked the intellectual maturity of their chronoligical age."

Also, four uncontrolled diabetics, three males and one woman, aged 17, 22, 44, and 47; two uncontrolled epileptics aged 18 and 22; two men, 65 and 48, who were chronic alcoholics: eight persons ranging in age from 34 to 64 for cardiac or circulatory disorders; seven, ranging in age from 16 to 80, who failed 'ecause of neurological disorders; four, 17 to 33, who failed for neuropsychiatric reasons; and four, 16 to 39, who suffered from narcolepsy and epilepsy.

The oldest applicant who was granted a learner's permit was 85.-K.O.F.

The contract approach is a step in this in the agency. direction.

To draw an analogy between "purchasing" employe services and tangible goods, the firm notes that a president would be remiss if he did not demand that his purchasing agent set up a system to record the terms of every contract, stating precisely the quantity, quality and price of goods or services to be delivered at stipulated times. Moreover, the president would be negligent if he didn't make sure that the purchasing agent instituted some means of checking and recording deliveries to determine whether they measure up to the terms of the con-

It is at least curious then that the same company president who takes such a firm stand on the contract principle when buying tangible products or services from outside suppliers should be so careless or seemingly helpless when it comes to requiring his own executives or managers and other employes to "deliver the goods."

This novel contract concept could help management communicate with key people about the importance of doing a job and reaching its objectives. The management which can put this idea across should realize substantial benefits. This is an era when many employes-at every level -like music while they work, and like it even better while they don't .- J.N.C.

on the job to attain critical objectives. and Carle A. Jackson, are partners

CARL W. MATTISON, assistant manager of the advertising and public relations department of Glens Falls, died after undergoing surgery for a kidney ailment. He was chairman of the company awards program of Insurance Advertising Conference and a member of the speakers bureau of Insurance Information Institute.

CARL JORDAHL, 54, North Dakota state agent of Crop Insurance group, died. He started in the hail business as a per diem adjuster while he was a school superintendent. When he retired from school activities in 1954, he joined Crop group as a full time state agent.

Mrs. FRANK D. MOSES, wife of the veteran executive vice-president and former executive secretary of Pennsylvania Assn. of Insurance Agents, died after a long illness.

Mrs. JOHN G. WORRALL, 75, who operated an agency at Houston, died. She entered the insurance business after the death of her husband in 1919 and was the first women member of Insurance Exchange of Houston. She was vice-president in 1934 and 1935.

M. J. KELLY, 72, local agent at Anaconda, Mont., died at his home. He was a charter member and past president of Montana Assn. of Insurance Agents, and later served as chairman of the legislative committee.

Mrs. STEVEN HALTIGAN, 30, wife of the assistant educational director of General Adjustment Bureau in New York, died suddenly at the Haltigan home in Bayport, L. I.

RICHARD LYONS, 81, retired manager in Oregon of American Surety, died of a heart attack.

MARLOR B. SEYMOUR, 68, retired secretary of Aetna Fire, died at his home in West Hartford. He began his career as an inspector for Underwriters Assn. of New York and joined Aetna Fire in 1921 as special agent at Rochester, N. Y. He was later transferred to Baltimore as state agent for Maryland, Delaware and District of Columbia. He was named state agent at Philadelphia in 1932 and was transferred to the home office as general agent in 1936. He became assistant secretary in 1938, and secretary in 1943. H retired in 1958 after 37 years with the company. His father, the late Fred. B. Seymour, was treasurer of National Fire at one time.

JOHN H. CLEARY Jr., 61, manager of the ocean marine department of Boston, died at Peter Bent Brigham Hospital in Boston. He joined the company in 1915 in the ocean marine department. He was later in the reinsurance division of that department and subsequently in the accounting division where he held various positions before he returned to the ocean marine department to take charge of underwriting of cargo business.

Kings County (N. Y.) Brokers Assn. held an emergency meeting this week in New York City to discuss the automobile insurance cancellation problem. Three members of the assembly, Turshen, Ryan, and Lerner, were scheduled to speak. President Edward Cirlin of the broker group said the three legislators would lead in a program to combat "indiscriminate cancellations." Brokers also want to eliminate the rating factor for geographical location.

Living Up To A Contract

A mythical memorandum has been written by the president of a nonexistent company to his managerial and executive personnel. The memo on "A New Way of Looking at Our Work" states:

"From this date forward every job in this company-and most especially every executive or managerial job, including mine-is to be dealt with and performed as though on a contractual

"All employes, including myself, in consideration of emoluments which the company on its part undertakes to pay, are to conduct themselves as though under contract to deliver work meeting certain standards. Particularly, each of us is to consider himself as having a contractual obligation to accomplish certain critical objectives or accountabilities which are specified in our make-or-break job descriptions, and to make our full contribution toward the attainment of group account-

"All supervisors and managers are hereby charged with the accountability for seeing that the terms of individual job-description 'contracts' are met, and for taking appropriate action when it appears that they are not being met. The emphasis shall be on helping the people who report to you to meet their contract obligations, not only to sit in judgment after failure."

This message was developed by Edward N. Hay & Associates, Philadelphia management consultants. The firm concedes that some may consider the memo unrealistic, but notes that this attitude may be based on the fact that business men have not learned to think about the "purchased time and talents" of employes as they do about other purchases.

The Hay firm favors neither the overly soft nor the get tough spirit in dealing with employes. It believes, however, in a middle way which, while recognizing the individual's rights, emphasizes the necessity of buckling down

Personals

Preston Estep, president Transit Casualty, has been elected chairman of the Bi-State Development Agency.

Deaths

HOWARD W. JACKSON, 83, founder of the Riall Jackson agency in Baltimore, died at his home there. He served as mayor of Baltimore from 1923 until 1927 and again for three consecutive terms from 1931 until 1943 when he retired from Public Life. However, he continued his activity in the agency business until last November when he fell and broke his hip at his home. His sons. H. Riall Jackson

THE NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance



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Stocks

By H. W. Cornelius of Bacon, Whipple & Co.

Aetna Casualty	85 83 42½ 27¼ 14	88 841/2 44 281/4
Aetna Fire	42½ 27¼ 14	44
American, Newark	271/4 14	
	14	281/4
		151/4
Boston	341/2	351/
Continental Casualty	711/2	73
Crum & Forster	64	66
Federal	591/2	611/2
Fireman's Fund	501/2	52
General Re	117	122
Glens Falls	351/4	361/4
Great American	451/2	461/3
Hartford Fire	48	50
Hanover	45	461/2
Home of N. Y.	571/4	581/2
Ins. Co. of No. America	67	68
Jersey Ins	32	331/3
Maryland Casualty	36	371/2
Mass. Bonding	41	421/2
National Fire	110	115
National Union	$38\frac{1}{2}$	40
New Amsterdam Cas	531/2	55
New Hampshire	541/2	56
North River	41	421/
Ohio Casualty	23	24
Phoenix, Conn	78	791/2
Prov. Wash	21	22
Reins. Corp. of N. Y.	221/2	231/2
Reliance	56	58
St. Paul F.&M	551/2	57
Springfield F.&M.	311/2	321/2
Standard Accident	48	50
Travelers	85	86
U. S. F. & G	$39\frac{1}{2}$	41
U. S. Fire	$28\frac{1}{2}$	291/2

Donna's Destruction Set At \$150 Million

(CONTINUED FROM PAGE 1)

opened nine special storm offices in Florida, at Fort Myers, Miami, St. Petersburg. Orlando, Lakeland, Tampa, Sarasota, and Daytona Beach, and has added 150 adjusters to the regular staff. It has opened special storm offices at Wilmington, N. C., and Norfolk, Va., and will open eight special storm offices in New Jersey, New York and New England and add 165 adjusters. Mutuals and the direct writers and independents are adding adjusting strength to the storm hit areas.

Catastrophe reinsurance covers will

be hard hit by the sotrm's results.

Levering Cartwright, president of Cartwright, Valleau & Co., Chicago, specialists in insurance stocks, said Hurricane Donna was upsetting to the property insurance people and their stockholders. "At first blush it seems to dull their earning prospects, in the final stretch of what might well oth-erwise have been a banner year," he said. "Whether it will serve to inhibit dividend increases later in the year remains to be seen."

"Late last week, the fire insurance stocks gave ground a trifle when Donna was being watched in the Carrib-bean. Then, they opened Monday morning down a point or two or three, from Friday. The Florida phase had by then been experienced. Later in the day as the storm path menaced the northeast there was further selling and Tuesday morning the bids were still lower. From recent highs the stocks were off as much as 7% or so. For instance, Home Insurance had a recent high bid of 62. It struck a low of 57 Tuesday morning. There are 4 million shares of Home stock, so it might be said that Donna knocked \$20 million off the market value of the stock. For Hartford Fire the comparable figures were 51 and 47½. Those were representative of the entire list. There

of the reinsurance companies, sur-prisingly enough. For instance, Gen-eral Reinsurance on the bid side went off from 120 to only 118. for buying opportunities on the set of Indianapolis.

seemed to be no pressure on the stocks

back.

"The story was confusing. Prospects were the darkest Monday evening when Boston and Providence were thought to be in Donna's route. So when these centers were spared the full brunt of it, there was a measure of relief. At least Donna had been removed from the devastating ranks of Carrol and Hazel of 1954. All the companies hit their excess covers then and many were confronted by direct losses again after exhausting their treaties.

"As fragmentary reports were assimilated, some optimistic views were hazarded late Tuesday. However it is characteristic of storm loss situations that the early estimates are dwarfed by the eventual payouts. So the old timers were cautious. A week or 10 days will be needed to get any kind of a reliable assessment of the probabilities. The extent of the damage in the new congested areas of Long Island will be significant.

"A nice question may arise for those companies with excess covers that protect against losses from a single front for 48 hours. Those with 72 hour coverage will be in the clear for all of Donna's damage if their losses should be such as to tax the treaties, but the 48-hour contracts may well create double retentions for the same hurricane."

N. Y. Blue Cross Rates Rise 33.4%

Superintendent Thacher of New York has approved a 33.4% rate increase for Blue Cross. He also approved a plan to reimburse hospitals on the basis of some of their expenses, in lieu of a payment method based on wage price indices which has been in effect since 1948. Both approvals are effective Nov. 1. Mr. Thacher turned down a proposed hike of 37.3% last month.

With the rate increase, Blue Cross is offering broadened benefits. They include coverage for newborn and premature infant care, cosmetic, surgery, and short term care in general hospitals for mental and nervous disorders.

Ind. Commissioner Puts **Heat On Bonding Companies**

Commissioner Ashley of Indiana took four bonding companies over the coals last week, cancelling their li-censes until 14 bondsmen, all but two of whom had been convicted of crimes, were "fired."

The commissioner's action followed an expose in the Indianapolis Star of the entrance of hoodlums into the bail bond business.

The newspaper publicity put the pressure on the commissioner, and he invoked his cancellation powers against United Bonding, Indiana Bonding, Central Casualty and Cosmopolitan of Chicago because the companies allegedly employed unlicensed bond agents. The licenses were reinstated promptly when notice was received that the bondsmen's connections with the companies wdre cancelled.

N. Y. Society Meet Set

Insurance Society of New York will resume its noontime lectures for members Sept. 27 in the board room of New York Board. John G. Forrest, financial editor of the New York Times will discuss "What Is Business News."

John F. McMahon has been appoint-"Sellers, of course, predominated, but ed a special agent for southern Indiana here and there the list was scanned by Trinity Universal. He will work out

Southern General Plant To Buffalo Six States Involved

Buffalo is assuming on a selected basis the agency plant of Southern General. The move involves agencies in Florida, Alabama, Georgia, the Carolinas and Tennessee.

Financial control of Southern General was acquired last June by General Acceptance Corp. of Allentown, Pa. Stuyvesant, a subsidiary of the new sponsors, has been directing the over-all insurance operations.

Members of the Buffalo and Stuyvesant organizations have carefully reunderwritten the insurance portfolio of Southern General. Effective Oct. 31, Buffalo will reinsude the great majority of the outstanding policies and will renew those policies as they expire. Combination of this Southern General business with the premium income Buffalo now controls in the territory will justify the establishment of a southeastern department by Buffalo.

Personnel Acquired

Buffalo will acquire the services of some of Southern General's key underwriting, claim, field and other personnel. Department heads in this new operation are Joseph Love, fire, inland marine and package policy un-derwriting; John Jinks, casualty un-derwriting; Malcolm Nash and Bryce Ryan, state agents; and Mrs. Beck Robson, claims supervisor. Ralph Ashton, second vice-president of Buffalo, will be in charge of the operation.

Buffalo will rent the first floor of Southern General's home office building at 88 Walton Street, N. W., Atlanta, and expects to be open for business on Nov. 1. This southeastern department will become one of Buffalo's largest offices. It will provide local field, underwriting and claims service to the agents domiciled in the area and will be staffed with experienced personnel who are native to the territory.

Armstrong Named to Succeed Bruce As Chief Examiner in California

Christy P. Armstrong has been appointed by California Commissioner McConnell as chief examiner succeeding William Bruce, retired.

After graduating from the University of California, where he majored in insurance, Mr. Armstrong joined Hartford Accident and worked in various departments for five years. He joined the California department in 1942, began as an auditor and moved through progressive promotions until he became supervising examiner in

A luncheon was held in San Francisco at which many representatives from the industry joined the departmen in honoring Mr. Bruce.

Security-Conn. Raises Corvan To Claims V-P

Security-Connecticut group has promoted Thomas G. Corvan to vicepresident of claim operations. He was general manager of the claims depart-

Eight departments (A&S, A&S claims, engineering, group, group claims, metropolitan claims, rain and payroll audit) of Hartford Fire's San Francisco office at 720 California Street have moved to 153 Kearny Street there.

Suggests Provision To Pro-Rate Payment Of Multi-A&S Cover

A pro-rata provision designed to protect A&S companies from the speculative buying of excess insurance has been suggested to Commissioner S. N. Beery of Colorado, president of NAIC, in a letter written by C. C. Yost, senior vice-president of Union Bankers of Dallas. The proposal differs from the uniform A&S act passed in most states in two respects—it would prevent the buyer from collecting more than his loss, and it would return premiums pro rate in excess A&S situations only back to the date of the last acquired coverage.

"Under the uniform provision, the company can enforce pro-ration only as to coverage of which it has not re-ceived notice," Mr. Yost states. "Such a provision would be ineffective with respect to policies wherein the company's right to cancel or not renew is limited."

Would Pro-Rate To Last Issue

With policies renewable at the option of the company, the insurance cannot be ended until the next renewal date which may be as much as a year away, Mr. Yost points out. He thinks it inequitable that a company should have to refund part of premiums paid back to the date of issue of the policy, just because of the one current claim that is being pro-rated.

"Since there are many policies now in force without such a pro-ration provision, it will be impossible to bring speculative buying to an abrupt halt, Mr. Yost said. "But, if we can make the curbs apply to business written hereafter, we will have made a fine step in the right direction."

The wording of Mr. Yost's suggested

statute is as follows: "Every policy providing for payment of hospital, surgical or medical ex-penses on a provision of service basis or on an expense incurred basis, shall include the following provision:

Losses Distributed

"Insurance with other insurers-If there be other valid coverage, not with this insurer, providing benefits for the same loss on a provision of service basis or on an expense incurred basis, the only liability under any expense incurred coverage of this policy shall be for such proportion of the loss as the amount which would otherwise have been payable hereunder bears to the total like amounts under all valid coverages for such loss, and for the return of such portion of the premiums paid as shall exceed the pro-rata portion for the amount so determined, but only for that period of time the effective date of the last acquired valid coverage to the date of the loss.

"Other valid coverage shall be deemed to include any coverage pro-vided by any company, association or society subject to regulation by insurance law or by insurance authorities of this or any other state of the U. S. or any province of Canada, and shall include coverage provided by hospital and medical service organizations, group insurance, automobile medical payments insurance, union welfare plans, employer and employee benefit associations, and any cover-age provided under any compulsory benefit statute including workmen's compensation and employers' liability insurance.

"Third party liability coverage shall not be regarded as other valid cover-

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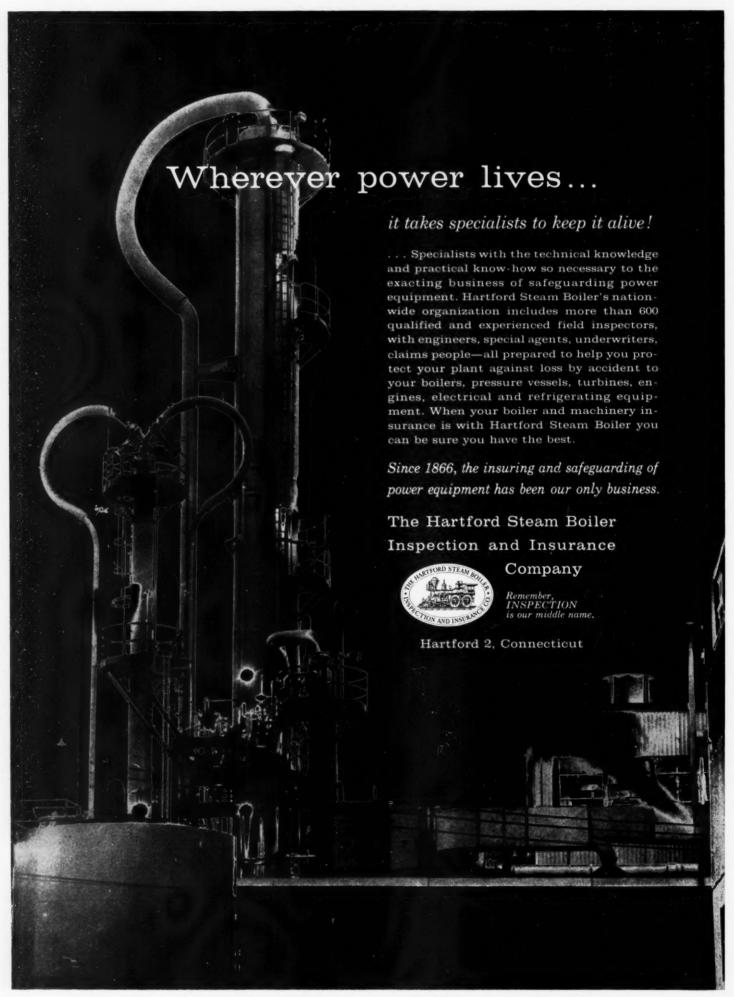
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